

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|                       |                       |
|-----------------------|-----------------------|
| TO<br><i>Singeton</i> | DATE<br><i>4-3-07</i> |
|-----------------------|-----------------------|

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|--|--|------------------|--|
| DIRECTOR'S USE ONLY  |  | ACTION REQUESTED |  |
| 1. LOG NUMBER<br>000620  | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____  |                  |  |
| 2. DATE SIGNED BY DIRECTOR<br><i>Cleaved 4/26/07, letter attached.</i> | <input checked="" type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE <i>4-12-07</i><br><input type="checkbox"/> FOIA<br>DATE DUE _____<br><input type="checkbox"/> Necessary Action |                  |  |

| APPROVALS<br><small>(Only when prepared for director's signature)</small> | APPROVE | * DISAPPROVE<br><small>(Note reason for disapproval and return to preparer.)</small> | COMMENT |
|---|---------|--|---------|
| 1.  |         |  |         |
| 2.  |         |  |         |
| 3.  |         |  |         |
| 4.  |         |  |         |



# Generations Unlimited

Rising to Meet the Needs of Our Community

March 29, 2007

**RECEIVED**

APR 02 2007

Robert Kerr  
Executive Director  
S.C. Department of Health and Human Services  
P.O. Box 8206  
Columbia, SC 29202

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

*Log Singleton*  
*"Opprop. Sign"*  
*cc: Bowling*  
*Kerr*

Dear Mr. Kerr:

On March 27, 2007 the providers in the Lower Savannah Region met with Logisticare representatives to discuss the contract they had presented to us. We were told in the meeting that this contract had been approved by SCDHHS and that it would take affect on May 1, 2007. We have not received any confirmation of this from your office and do not plan to proceed until we do. We also have several questions and concerns about this contract and the intensions of Logisticare that were expressed in this meeting.

Logisticare told us that they intend to continue coordination in our region. However, when pressed about the nature of this coordination we learned that their definition is to coordinate taxis services, service agency providers, buses and other transportation resources to provide Medicaid transportation. The definition of coordination that we have been operating under requires that we direct our service to share seats with all federally funded human service programs, including Medicaid, to eliminate the duplication of routes and reduce the number of vehicles and personnel needed, thus saving tax dollars. We were under the impression that this was the definition of coordination according to the Medicaid Request for Proposal. It appears that Logisticare intends to coordinate their contracted providers in the delivery of Medicaid service without taking into account the coordination of other transportation programs.

Logisticare also intends to assign the providers the time to pick up the passenger and the time for drop off. The provider may not be able to fit these times into a schedule that has other passengers from other funding sources and may require additional staff and vehicles. To support our current practice of sharing seats we think it would be more beneficial for Logisticare to give the providers the appointment times of the riders and allow the provider to coordinate the trip with other scheduled riders.

Robert Kerr  
March 29, 2007  
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The contract presented to us requires that Medicaid recipients sign a manifest upon admission to the vehicle. Having them sign in front of other passengers would single them out as a Medicaid recipient. We have been careful not to put passengers in a situation where they would be identified according to their paying source. If this must be the case, then SCDHHS should notify Medicaid passengers prior to start-up to help eliminate confusion when drivers ask them to sign.

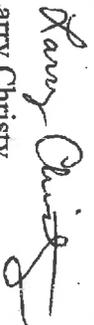
The contract also requires providers to pay liquidated damages in a variety of cases. Logisticare told us that the liquidated damages were required by SCDHHS. If so, will Logisticare be subject to fines from SCDHHS and are these passed on to providers through this contract? We also see no appeals process for the provider if fines are believed to be unwarranted. Providers were told that fines would not be made if there were circumstances beyond the provider's control. Yet, at this meeting there was a Logisticare provider from Georgia who cited a case where they were fined for a late pick-up due to a vehicle breakdown.

There were a variety of transportation providers at this meeting. Will all providers, including those being reimbursed by gas mileage, be subject to the same contract standards such as drug testing and SLED checks for drivers or will some be held at a lower standard?

There are many other concerns that providers in our region have with this contract. We also do not know what period of notice, if any, that we will receive under our current arrangement. We have yet to receive notice of an actual start-up date for this change in our area. We will need time for our attorneys to review this contract and meet with board members to discuss and approve.

I believe it would be productive and provide bases for a smooth transition for SCDHHS to meet with the providers to address their concerns with this contract.

Sincerely,

  
Larry Christy

Executive Director

CC: Representative Lonnie Hosey  
Representative Bakari Sellers  
Senator C. Brad Hutto  
Barnwell County Council  
Generations Unlimited Administrative Board  
Kaylin Jones, SCDOT

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*State of South Carolina*  
*Department of Health and Human Services*

Mark Sanford  
Governor

April 26, 2007

Robert M. Kerr  
Director

Mr. Larry Christy  
Executive Director  
Generations Unlimited  
P. O. Box 1149  
Barnwell, South Carolina 29812

Dear Mr. Christy:

Thank you for your letter outlining concerns your office has with the contract Logisticare has provided to you to for consideration. The South Carolina Department of Health and Human Services (SCDHHS) is committed to ensuring that the Medicaid beneficiaries our agency serves are provided necessary transportation to and from covered medical appointments. To that end, SCDHHS is in regular communication with Logisticare regarding the transition from the current non-emergency transportation system to the broker system.

By now you should have received a letter from SCDHHS advising that your current contract will end on April 30, 2007 and the broker will be responsible for arranging transportation effective May 1, 2007. While SCDHHS has reviewed and approved Logisticare's model contract with providers and expects most of these terms to be adhered to, Logisticare and each individual transportation provider are not prohibited from negotiating contractual terms to address circumstances that are specific to the type of transportation provider involved. For example, Logisticare has agreed to remove the liquidated damages provisions with organizations such as yours. SCDHHS urges you to contact Logisticare directly and address any terms of the contract that you feel need to be negotiated prior to execution. Our agency has addressed with Logisticare the need for good faith negotiations with transportation providers and will continue to monitor this and all phases of Logisticare's implementation plans for a May 1, 2007 transition date.

With regard to your concerns regarding coordination of transportation, SCDHHS stands by the terms outlined in the Request for Proposals (RFP). Logisticare will be held to the terms and conditions regarding coordination that are included in the RFP and also to the coordination efforts offered in Logisticare's proposal. Please note that Logisticare has broad latitude to design and implement non-emergency transportation coordination efforts through the RFP.

Mr. Larry Christy

April 26, 2007

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Please be advised that SCDHHS has provided information to medical providers concerning the implementation of the broker system. There is no obligation on the part of transportation providers to notify medical providers of this change. Regarding the issue of Medicaid beneficiaries signing a document when they receive transportation, SCDHHS will contact Logisticare and address this with them. As to standards for all transportation providers being the same, Logisticare is responsible for identifying, recruiting, and negotiating agreements with each transportation provider sufficient to meet the needs of Medicaid beneficiaries to include transport by minibus, passenger automobile, van and minivan. Logisticare's agreements must meet the requirements outlined in the RFP.

Another RFP requirement for Logisticare is to have on file specific information on the drivers that are providing non-emergency transportation, including name, date of birth and social security number. Therefore, by asking for such information, Logisticare is attempting to comply with its contractual obligations under the RFP. Your letter also raises the issue of an appeal process for providers to SCDHHS. This is not an RFP requirement and, as with any contractual term, the transportation provider should address its concerns directly to Logisticare.

SCDHHS recognizes and appreciates the years of service that your organization has provided to Medicaid beneficiaries and it is truly our hope that you will be able to successfully negotiate a contract with Logisticare to continue providing services for many years to come. I trust that this response adequately addresses the issues raised in your letter and enables you to move forward in your negotiations with Logisticare in a positive manner.

Sincerely,



Delindra T. Singleton  
General Counsel

DTS/rb

cc: Kirk Gonzales, Logisticare  
Byron R. Roberts, DHHS