

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|                  |         |
|------------------|---------|
| TO               | DATE    |
| Single copy/FOIA | 9-19-11 |

| DIRECTOR'S USE ONLY   | ACTION REQUESTED  |
|---|---|
| 1. LOG NUMBER<br>101132   | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____   |
| 2. DATE SIGNED BY DIRECTOR<br>cc: Stensland<br>Cleared 10/4/11, letter<br>attached. | <input type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE _____<br><input checked="" type="checkbox"/> FOIA<br>DATE DUE 10-4-11<br><input type="checkbox"/> Necessary Action |

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



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General  
Freedom of Information Office  
Cohen Building, Room 1062  
880 Independence Ave., SW  
Washington DC 20501

Case Number: 2011-0574

September 14, 2011

TO: Department of Health and Human Services  
P.O. Box 8206  
Columbia SC 29202

FROM: Robin Brooks  
Director  
*Robin Brooks*  
Freedom of Information

SUBJECT: Freedom of Information Act Request from Ms. Patricia Harrison

1. While processing this request, we located records which originated with or are of primary interest to your office. These records were located in the Department of Health and Human Services, Office of Investigations, and may or may not be responsive to the request. We are referring a copy of the FOIA request along with fifty-eight (58) pages of material to you for a direct response to the requester.
2. If you have any questions concerning this referral, please contact Kenneth Shaw at (202) 619-2541.

Enclosure(s)

**From:** Brooks, Robin R (OIG/IO)  
**To:** OIG, FOIA  
**Subject:** FW: FOIA Request  
**Date:** Wednesday, July 06, 2011 3:56:43 PM

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**From:** Trussell, Jennifer A (OIG/OI)  
**Sent:** Wednesday, July 06, 2011 3:48 PM  
**To:** Brooks, Robin R (OIG/IO)  
**Subject:** FW: FOIA Request

Hi Robin –  
Do you want me to give this to Viktoriya or do you want to handle first?

*Jenny*  
Jennifer Trussell  
Director, Investigations Unit  
US Department of Health and Human Services - Office of Inspector General  
330 Independence Ave SW, Mail Room 5409  
Washington, DC 20201  
Work 202-619-0530  
Cell 202-309-9847

**From:** Lott, Chris C (OIG/OI)  
**Sent:** Wednesday, July 06, 2011 3:46 PM  
**To:** Trussell, Jennifer A (OIG/OI)  
**Cc:** Burguières, Rick C (OIG/OI); Myers, Lloyd E (OIG/OAS)  
**Subject:** Fw: FOIA Request

Hi Jennifer,

Can you please advise me on who handles these issues in HQ?

This individual was the person who originally submitted the congressional request. Our case is closed, but OAS may still have part of their audit open.

Chris

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient (or have received this e-mail in error) please notify the sender immediately and destroy this e-mail. Any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly forbidden.

**From:** Patricia L Harrison [mailto:plh.cola@att.net]  
**Sent:** Wednesday, July 06, 2011 12:59 AM  
**To:** Patricia L Harrison <plh.cola@att.net>; Lott, Chris C (OIG/OI); David (CRT) Knight <David.W.Knight@usdoj.gov>; samuel.bagenstos@usdoj.gov <samuel.bagenstos@usdoj.gov>  
**Subject:** FOIA Request

Chris, I am requesting, pursuant to FOIA, a copy of any report or correspondence OIG issued related to your investigation of DDSN, including, but not limited to any documentation sent to

Senator Grassley. Please advise of the cost of these records. Please call me if you have any questions about this request.

Thanks.

Trisha Harrison

**From:** Patricia L. Harrison  
**Sent:** Sunday, June 19, 2011 10:58 PM  
**To:** Chris.Lott@oig.hhs.gov ; David (CRT) Knight ; samuel.bagenstos@usdoj.gov  
**Subject:** Fw: Meeting with Emma

## 2 ex-Medicaid leaders now at company overpaid \$10M

June 18, 2011 2:43 PM ET

*By JIM DAVENPORT*

COLUMBIA, S. C. (AP) - Two state workers who oversaw state Medicaid operations that resulted in a \$10 million overpayment to a Florida company took jobs with the firm months before the state discovered the problem, but both say they didn't have a direct role in what the business was paid.

### SEE AP FOR REST OF TODAY'S ARTICLE ...

Four months after the former director of HHS left office (director before Emma Forkner), DDSN hired him as a contractor to review its reimbursement system, paying him a few thousand dollars. A few years later, when DDSN made major cuts to Medicaid waiver services due to "budget reductions" the former director of HHS was paid \$67,000 to review the funding system which had been initiated when he was in finance dept. at HHS.

BELOW IS AN EMAIL I SENT AFTER MY SECOND MEETING WITH DIRECTOR OF HHS, EMMA FORKNER.

IN MY FIRST MEETING WITH EMMA FORKNER AND FELICITY MYERS (one of employees discussed in AP story), JUST AFTER EMMA WAS NAMED DIRECTOR, WE DISCUSSED THE FACT THAT THEY WERE NOT INFORMING PEOPLE THAT FEE-FOR-SERVICE WAS AN OPTION AND THEY WERE AUTOMATICALLY ASSIGNING PEOPLE TO PRIVATE MANAGED CARE COMPANIES. Now HHS requires almost all Medicaid participants to enroll with one of these private companies, despite a study showing they cost more than fee-for-service.

**From:** Patricia L. Harrison

**Sent:** Wednesday, February 18, 2009 1:14 PM

**To:** Nancy Banov ; Steven Jeffcoat ; Mary Katherine Bagal ; Deborah McPherson ;  
lisaarollins@vzw.blackberry.net ; lisaarollins@gmail.com ; Jennie Mullis ; 'Charles DuJaney'

**Subject:** Meeting with Emma

Meeting with Emma, Deirdra and Rick Hefner was less than satisfactory. There is absolutely no sense of HHS having any responsibility for DDSN services. Even worse, as I left, Rick said that they remain "neutral" about whether there really is any mismanagement of funds at DDSN. Have they really read the LAC audit? They have not an ounce of a clue how the band payment works and appeared to me to have no real interest in learning how it really works.

It was obvious that the LAC was nothing but an elephant in the living room that was not going to interfere with their routine. If you ignore the elephant long enough, maybe he will go away. Whatever you do, don't acknowledge that it really is an elephant or you will have to deal with a very big problem.

What really blew me away was Emma's confident response about the Paul Moore embezzlement. Emma confidently said that HHS appropriately paid all claims to DSS and that the HHS auditors had confirmed the appropriateness of those payments to DSS. Deirdra was doing the head bobbing thing in agreement. There was no sense of concern about what else might have been improperly paid or that this same scheme could be going on at DDSN. I felt no sense of concern about what happened to the people who were supposed to be getting the services, but were not.

They had no knowledge, except for my comments made in e mails about Superfund site.

They echoed the DDSN mantra that once they pay money to DDSN it is no longer Medicaid money.

They are saying that not one cent of PDD money has been paid to Jasper County. I don't believe that. Emma said that they will get to me the list of PDD providers that were paid directly by HHS with the amounts that are paid. They say that only 2 individuals have chosen to self direct but that no money has been paid yet for these two individuals. That does not add up. Emma tried to lead me down the path of focusing on what positive results they are getting for children being served \*\*\* the old watch my hands, not my feet routine. There was no sense of "we have to fix this problem" coming from any of them. It was more of a sense that they have done everything right and discharged their responsibilities.

They saw no problem with how DDSN contracted only with USC to implement PDD. Emma has bought hook, line and sinker the "it took a long time to ramp up the program" story. Emma acted like she had no idea that DDSN went back to legislature for more PDD money after first year when they had not spent the \$3 million they received. She seemed mildly surprised that they asked for more money when they had not spent the money from the year before, but there was no sense that HHS had any obligation to people being served to assure that services were actually being provided.

Emma is very nice and very articulate. I don't believe that she would cover anything up,

but it is clear that they haven't a clue about the magnitude of the problems or any real .

We left in agreement about focusing on one problem at a time - the first will be service coordination. They agreed that service coordinators should be able to bill HHS directly, but there was this huge disconnect and stone wall when we discussed how much service coordinators who bill HHS would be paid. Obviously, if they can't tell providers how much they will get paid, the service coordinator cannot bill HHS directly. Rick is supposed to get back with me on that. It was obvious that they have spent no effort gearing up to comply with new federal regs which go into effect in March which would require service coordinators to bill in increments of 15 minutes and would prohibit band funding for service coordination.

I received hand out that was referred to in Dec. 2008 HHS appeal of denial of MR/RD Waiver, which contained DDSN's justification for not allowing diagnosis of MR before age 6. Nancy is scanning that information and I will send it to you.

Trisha



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General  
Freedom of Information Office  
Cathie Building, Room 1062  
800 Independence Ave., SW  
Washington DC 20201

Case No. 2011-0574

September 14, 2011

Ms. Patricia Harrison  
611 Holly Street  
Columbia SC 29205

Dear Ms. Harrison:

This is in response to the Freedom of Information Act (FOIA) request you filed with the Department of Health and Human Services, Office of the Inspector General (OIG), requesting copies of any report or correspondence OIG issued related to your investigation of DDSN, including but not limited to any documentation sent to Senator Grassley.

This office located two-hundred-one (201) pages of records responsive to your request. I have determined to partially release eighty-seven (87) pages, on compact disk, with portions withheld under FOIA exemptions (b)(5), (b)(6), (b)(7)(c) and (b)(7)(e) and withhold fifty-six (56) pages in their entirety (b)(6) and (b)(7)(c). In addition fifty-eight (58) pages originated with the South Carolina Department of Health and Human Services; two (2) pages with the FBI and two (2) pages with the Department of Justice (Civil Division). These records will be referred to the respective office for review and a direct response to you

Exemption (b)(5) permits the withholding of intra-agency records which are pre-decisional and contain staff advice, opinion and recommendation.

Exemption (b)(6) permits the withholding of information that if released, would constitute a clearly unwarranted invasion of personal privacy.

Exemption (b)(7)(c) permits the withholding of investigatory records compiled for law enforcement purposes when disclosure could reasonably be expected to constitute an unwarranted invasion of personal privacy.

Exemption (b)(7)(e) permits the withholding of law enforcement information which "would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law."

The address for SC DHS: Department of Health and Human Services  
P.O. Box 8206  
Columbia SC 29202

The address for FBI:

Federal Bureau of Investigation  
Record/Information Dissemination Section  
170 Marcel Drive  
Winchester VA 22602

The address for USDOJ:

Freedom of Information/Privacy Act Officer  
Executive Office for United States Attorneys  
Department of Justice  
Room 7300, 600 E. Street, N.W.  
Washington DC 20530

There is no charge for FOIA services in this instance because billable fees are under the Department's \$25 cost effective threshold.

If you have reason to believe that any denied portions should not be exempt from disclosure, you may appeal. Your appeal should be mailed within thirty (30) days from the date of receipt of this letter, to the Director, News Division, Office of the Assistant Secretary for Public Affairs, Freedom of Information/Privacy Acts Division, U.S. Department of Health and Human Services, 330 C. Street, S.W., Room 2221, Mary E. Switzer Building, Washington, DC 20201. Clearly mark both the envelope and your letter of appeal "FOIA APPEAL".

Sincerely,



Robin R. Brooks  
Director  
Freedom of Information





Log # 000132 ✓

October 4, 2011

Ms. Patricia L. Harrison  
611 Holly St.  
Columbia, SC 29205

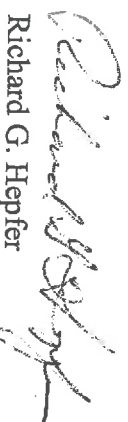
Re: FOIA Request to CMS of July 6, 2011

Dear Ms. Harrison:

This is a follow up to the September 14, 2011 CMS response to your earlier FOIA, referenced above. The fifty-eight (58) pages of documents referenced in the CMS response make up the SCDHH Review of the MR/RD Waiver... audit performed by our Division of Audits and published on February 28, 2006. That document was, in accordance with the federal process, sent to us for review and direct response to you. I believe that you have been provided this document, and I wanted to give you the option of just relying on the previous copy or copies you have.

However, the document is releasable by us, and if you need a copy in specific response to your FOIA to CMS, let us know and we will be happy to comply. My direct is 898-2791.

Sincerely,



Richard G. Hepfer  
Deputy General Counsel