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February 23, 2012

BY HAND DELIVERY

The Honorable Max Baucus
Chairman, Committee on Finance
United States Senate
511 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Charles E. Grassley
Committee on Finance
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

**Re: Response to January 12, 2012 Letter To ReachOut Healthcare America from
Senators Baucus and Grassley**

Dear Senators Baucus and Grassley:

We are writing on behalf of ReachOut Healthcare America Ltd. ("RHA") in response to your January 12, 2012 letter. Thank you for the opportunity to address the issues you have raised and for the extra time we have received to provide an initial response.

ReachOut Healthcare America is an administrative services organization for pediatric mobile dentistry. Founded in 1997 and headquartered in Phoenix, Arizona, RHA provides administrative and business services to dental practices that are owned and controlled by licensed dentists. The practices RHA works with serve a diverse patient base, including children in our nation's Head Start programs, foster programs, and public schools. RHA's services are also available to our nation's National Guard and Reserve Forces.

RHA's initial response to your information request follows, and is based on readily accessible information in RHA's possession about RHA and the dental practices with whom RHA contracts. We will supplement and amend the response as appropriate.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 2

Dentistry Ownership and Certifications

1) A detailed description of ownership of all ReachOut Healthcare America facilities and mobile units from January 1, 2010 to present.

RHA provides administrative and business services to dental practices and is not itself a provider of clinical dental services. RHA currently provides services to 23 dental practices that operate in 22 states (the "Dental Practices"). RHA does not own the Dental Practices, which are organized as professional corporations under state law and owned by licensed dentists, who do not have any ownership interest in RHA. Attached as Exhibit 1 is a list of the Dental Practices and the dentists who own them.

RHA provides services for the administration of the nonclinical aspects of the Dental Practices. These services include providing the necessary equipment and supplies and maintaining inventory for the provision of dental services; information systems; scheduling; customer service; financial planning; and reporting and analysis. The personnel who provide all clinical dental services and patient management are employed by the Dental Practices, not RHA. (See, e.g., Administrative Service Agreement with "Menu of Services" [Bates Nos. RHA_0000015 - 0000019]). RHA does not provide any services to the Dental Practices related to clinical matters or the practice of dentistry.

The Dental Practices provide mobile dentistry for various school districts in the states in which they operate, primarily to children covered by Medicaid. RHA owns 19 dental mobile vehicles, which RHA leases to certain Dental Practices for use by them as mobile dental units. RHA does not own or operate any fixed-site dental facilities.

In addition to providing business and administrative services to the Dental Practices, RHA also coordinates dental staffing for mobile dental programs that serve the National Guard. The clinical dental services for these programs are provided by dentists, who are independent contractors.

2) Dentistry certifications and names for any person with a partial or full ownership interest in each ReachOut Healthcare America facilities and mobile units.

As explained in response to Request 1 above, there are no RHA dental facilities or mobile units¹; RHA provides administrative and business services to the Dental Practices. The names of the dentist-owners of the Dental Practices with whom RHA contracts are listed in Exhibit 1. In response to this request, RHA is producing the dentistry certifications held by the dentist-owners

¹ As explained above, RHA leases vehicles to certain Dental Practices for use by the Dental Practices as mobile dental units.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 3

of the Dental Practices that are readily accessible in RHA's files [Bates Nos. RHA_0000497 - 0000548].

- a. **For each person with a partial or full ownership interest, the total number of procedures they have performed since January 2010, including subtotals of each type of procedure.**

There are no persons with an ownership interest in RHA who currently provide clinical dental services. RHA is working to gather responsive data regarding the dentist-owners of the Dental Practices and will provide it as soon as possible.

- b. **For each person with a partial or full ownership interest, please provide their employment contract with ReachOut Healthcare America facilities and mobile units.**

RHA does not employ, or have employment contracts with, the dentist-owners of the Dental Practices to run their practices. RHA is reviewing its files to determine whether it possesses other documents responsive to this request and will provide such documents, if any, as soon as possible.

- c. **All purchase agreements, professional services agreements, and attachments by and between ReachOut Healthcare America facilities, mobile units, and affiliates.**

RHA has entered into an Administrative Service Agreement ("ASA") with each of the 23 Dental Practices. In response to this request, RHA is producing the ASAs and attachments thereto [Bates Nos. RHA_0000001 - 0000496]. RHA is reviewing its files to determine whether it possesses other documents responsive to this request and will provide such documents, if any, as soon as possible.

Patient Abuse and Medicaid Fraud

- 1) **All documents related to production goals set out by ReachOut Healthcare America facilities and mobile units.**

RHA is reviewing readily accessible documents in its possession and will provide any responsive documents as soon as possible.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 4

- 2) **All policies and documents, including emails, regarding any contests or other bonus incentive structure for each dental procedure since January 2010.**

RHA's Chief Financial Officer, Chief Executive Officer, and former Chief Executive Officer do not recall being aware of any Dental Practice sponsoring contests or other bonus incentive structures for particular dental procedures, but we are reviewing readily accessible documents in RHA's possession for reference to any such contests or other bonus incentive structures and will provide any responsive information as soon as possible.

- 3) **The number of baby root canals and crowns each of your ReachOut Healthcare America facilities and mobile units facilities has performed on all Medicaid and non-Medicaid patients since January 2010.**

RHA is working to gather responsive data in its possession and will provide it as soon as possible.

- 4) **All policies, procedures, and documents regarding school personnel observation of all dental procedures being performed.**

and

- 5) **All policies, procedures, and documents regarding parental or guardian observation of dental procedures.**

Policies responsive to Requests 4 and 5 are established by the Dental Practices with the approval of their dentist-owners. In response to this request, RHA is producing, as an exemplar within its possession, a Clinical Manual developed by Dr. Elliot Schlang, in collaboration with UCLA Dental School, for use by the Dental Practices that he owns and oversees [Bates Nos. RHA_0000944 - 0001013]. Under the heading "Patient Accompaniment," the Clinical Manual states:

When possible, school administrative staff should accompany patients to and from classrooms to treatment areas. In some states, for example, Texas, there are special rules for accompanying children. Parents, guardians, or school officials may also accompany children prior to, during, and after treatment, at the discretion of the parent or legal guardian. Otherwise, only the Practice personnel may accompany patients to and from classrooms.

Two or more Practice personnel must be present in the room at all times during the treatment of any patient. Under no circumstance should any [of] the Practice personnel be alone in a room, building, or vehicle with a minor patient at any time. Any occurrence of such is grounds for immediate termination.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 5

[Bates No. RHA_0000970]

6) All policies, procedures, and documents regarding the use of the “papoose board” or other restraint devices during dental procedures.

Policies responsive to Request 6 are established by the Dental Practices with the approval of their dentist-owners. In response to this request, RHA is producing readily accessible e-mails within its possession demonstrating the adoption of a “non-restraint” policy by the Dental Practices [Bates Nos. RHA_0000549 - 0000560]. This policy states, in pertinent part: “**NEVER PHYSICALLY RESTRAIN A PATIENT**, such as, using a papoose or other restraint device. You may contain a patient’s hands only if patient presents imminent danger of harm to themselves.” [Bates No. RHA_0000551 (bold, italics, and underline in original)] RHA is continuing to review its files for documents regarding the adoption of this policy by the Dental Practices and will produce any such documents in its next production.

In addition, we note that the Clinical Manual developed by Dr. Elliot Schlang states: “Never physically restrain a patient. Appropriate referral is necessary when there are patient behavior management problems. Delivery of safe, quality patient-centered care is paramount.” [Bates No. RHA_0000952 (emphasis in original)] The Clinical Manual also specifically states: “At no time should a child be physically restrained.” [Bates No. RHA_0000954]

7) All policies, training manuals, informational booklets, other classroom materials, and any other related documents provided to dentists or used during the training of any dentists employed by ReachOut Healthcare America facilities and mobile units.

Policies and other materials responsive to Request 7 are established by the Dental Practices with the approval of their dentist-owners. In response to this request, RHA is producing, as an exemplar within its possession of the policies and manuals that are provided to dentists by the Dental Practices, the Clinical Manual developed by Dr. Elliot Schlang [Bates Nos. RHA_0000944 - 0001013].

RHA is working to gather additional readily available documents in its possession that are responsive to this request, and will produce any such documents in its next production.

8) The amount of revenue by ReachOut Healthcare America facilities and mobile units on Medicaid patients and reimbursement, by clinic, in each year since January 2010.

RHA is working to gather responsive data in its possession and will provide it as soon as possible.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 6

9) All policies related to non-retaliation policies.

RHA and the Dental Practices that it services have all adopted policies concerning retaliation toward employees who report fraud, waste, abuse, or other violations of the law. In response to this request, RHA is producing (1) the RHA Employee Manual, which applies to all RHA employees [Bates Nos. RHA_0000561-0000663]; (2) RHA's HIPAA HITECH Policies and Compliance Program documents [Bates Nos. RHA_0000664-0000764]; (3) an example of a Dental Practice's HIPAA HITECH Policies and Compliance Program documents for its officers and employees [Bates Nos. RHA_0000765-0000943]; and (4) the Clinical Manual developed by Dr. Elliot Schlang, which also includes a non-retaliation policy [Bates No. RHA_0000960].

The Dental Practices' HIPAA HITECH Policies and Compliance Program for employees include a "Code of Conduct," which provides in pertinent part:

No reprisals, or other disciplinary action inconsistent with law, will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, suspected illegal acts or violations of this Code. It is a violation of this Code for personnel to punish or conduct reprisals in regard to personnel who have made a good faith report of, or cooperated in good faith in the investigation of, suspected illegal acts or violations of this Code.

[Bates No. RHA_0000863]. The Compliance Manuals further provide that at the request of the Dental Practice, employees are required to sign semi-annual certifications stating that they are not aware of any compliance issues, or that they have reported any such issues to the Compliance Officer. As part of this certification, employees are required to state that they are not aware of any unreported compliance issues, including but not limited to, overpayments, false bills or kickbacks.

We are determining whether RHA's records indicate that all of the Dental Practices have Compliance Manuals and will advise if any Dental Practices do not or if RHA's records do not answer this question. We are working to determine whether all of the Dental Practices' Compliance Manuals in RHA's possession contain the same non-retaliation provisions. If any of the Compliance Manuals in RHA's possession are different from the enclosed examples, RHA will provide them.

Senators Max Baucus and Charles E. Grassley
February 23, 2012
Page 7

10) All emails and other documents used to promote the existence of the Disclosure Program to employees of ReachOut Healthcare America facilities and mobile units.

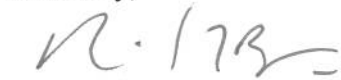
You have asked for documents used to promote the existence of “the Disclosure Program” to employees. We have interpreted your request as pertaining to documents related to a policy that encourages employees of RHA and the Dental Practices to disclose fraud, waste, abuse, or other illegal acts. In response to this request, we are producing: (1) the RHA Employee Manual [Bates Nos. RHA_0000561-0000663]; and (2) the Compliance Program documents [RHA_0000664-0000943], which require employees voluntarily to disclose all illegal acts or violations of the Code of Conduct. We are working to determine whether all of the Dental Practices’ Compliance Manuals in RHA’s possession contain the same pro-disclosure provisions. If any of the Compliance Manuals in RHA’s possession are different from the enclosed examples, RHA will provide them.

* * *

Today’s production contains confidential business information. RHA respectfully requests that these documents be maintained confidentially and that, if the Committee is considering releasing any of these documents, RHA be given an opportunity to be heard on that question.

If you have any questions, please feel free to contact us at the telephone number listed above.

Sincerely,



Reginald J. Brown
Robin L. Baker

Enclosures