



United HealthCare Insurance Company of New York
900 Watervliet Shaker Road, Suite 105, Albany, NY 12205

July 11, 2011

Mr. David Fleming
Audit Supervisor
State of New York
Office of State Comptroller
150 Broadway, Suite 470
Menands, NY 12204

Re: Audit Report 2010-S-20
High Cost Wheelchairs

Dear Mr. Fleming,

This is in response to the Final Report dated April 21, 2011 concerning OSC's Audit of High Cost Wheelchairs.

UHC offers the following responses to the recommendations presented by OSC:

OSC Recommendations:

1. *Work with the Department and the Council on Employee Health Insurance to ensure the State has adequate cost controls in place over claims associated with durable medical equipment. This should include developing and implementing controls that better enable United to protect the State from excessive costs associated with high cost wheelchairs. At a minimum, United should:*
 - A) *Require providers to submit a detailed listing of all wheelchairs and related accessories*
 - B) *Limit payments to a reasonable mark-up over the provider's cost.*
 - C) *Expand the fee schedules to include commonly billed items.*

UHC Response:

UHC Empire Plan Network Contracting Unit is currently re-contracting with our local custom rehab vendors who provide high cost wheelchairs as outlined in the OSC Final Report. A) The new agreements will require itemized billings from the provider of service which will provide the necessary details to determine specific elements/components that are being billed. B) UHC will use MSRP as the basis for establishing contracted rates. This will assure providers receive reasonable markups over their costs. C) The itemized bills will allow UHC to apply the corresponding fee schedule that is being enhanced to include rates for more commonly billed codes. There will still be occurrences of billed items that will not have a hard dollar fee schedule assigned. Services/items that do not have a hard dollar fee schedule will be assigned a default rate based on a percentage of MSRP.

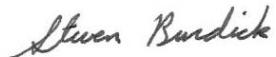
2. *Recover and remit to the State the \$100,993 in specific overpayments identified in this audit.*

UHC Response:

UHC has requested overpayments from the providers for claims that were overpaid and for claims that were submitted with non covered services included in their billed amount.

Thank you for the opportunity to respond to OSC's final report.

Sincerely,



Steven Burdick
Senior Vice President, Specialty Client Group
UnitedHealth Group National Accounts

CC: Carl Mattson
Richard Maloney