STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE: WALDO COUNTY GENERAL HOSPITAL	)	CONSENT AGREEMENT
	)	
DOCKET NO. INS-00-3032	)	

This document is a Consent Agreement authorized by 5 M.R.S.A. § 9053(2), entered into by and between Waldo County General Hospital (hereinafter "Waldo") and the Superintendent of the Maine Bureau of Insurance (hereinafter "Superintendent"). The purpose of this Consent Agreement is to resolve, without resort to an adjudicatory proceeding, alleged violations of 24-A M.R.S.A. § 4204(6), as set forth below:

FACTS

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations.

2. Waldo County General Hospital is a hospital provider with its principal offices at 118 Northport Avenue, Belfast, Maine.

3. As of July 1, 1997 Waldo County General Hospital entered into a certain hospital services agreement with Associated Hospital Service of Maine d/b/a Blue Cross Blue Shield of Maine which agreement was assigned effective April 10, 2000 to Anthem Health Plans of Maine, Inc. Anthem Health Plans of Maine acquired the assets, liabilities and operations and succeeds to the interests of Blue Cross Blue Shield of Maine.

4. As of July 1, 1996 Waldo County General Hospital entered into a certain hospital agreement with Healthsource Maine, Inc. ("HSHMO") and Healthsource Maine Preferred, Inc. ("HSPREFERRED") which agreement provided Waldo with the right to participate in HSHMO's and HSPREFERRED's healthcare provider networks and to make covered hospital services available to enrollees of HSHMO and HSPREFERRED.

5. Both hospital agreements contained a clause specifically requiring Waldo and any of its affiliates to refrain from billing, charging, collecting a deposit from, seeking compensation or reimbursement from enrollees in Blue Cross and Healthsource products for covered services provided under the hospital service agreement, other than applicable deductibles, copays and coinsurance.

6. The Health Maintenance Organization Act at 24-A M.R.S.A. § 4204(6) requires that "every contract between a health maintenance organization and a participating provider must set forth that in the event the health maintenance organization fails to pay for health care services as set forth in the contract, the subscriber or enrollee may not be liable to the provider for any sums owed by the health maintenance organization." Specifically, Section 4204(6)(B) goes on to state that "no participating provider . . .may maintain any action at law against a subscriber or enrollee to collect sums owed by the health maintenance organization."

7. Over the course of the past several months, Waldo has been engaged in a dispute with Anthem Health Plans of Maine and HSHMO and HSPREFERRED over the payors' compliance with the provisions of existing hospital services agreements among the parties.

8. As a result of the payors' failure to pay a portion or all of the claims submitted, Waldo held the following enrollees financially responsible for services rendered by Waldo:

A. An enrollee of Healthsource Preferred (Hospital Account No. 60906025) received laboratory work and a CT Scan at Waldo in April of 1999. While Healthsource Preferred paid Waldo for the laboratory work, it did not pay for the CT Scan inasmuch as Healthsource Preferred asserted that Waldo had failed to precertify the CT Scan. As a result, Waldo billed the enrollee for the balance owed of $1,629.50. The enrollee was billed at least once per month despite efforts to resolve the matter until September 25, 2000. In November of 1999, the enrollee was notified that Waldo had sent the debt to a collection agency. Upon contacting the hospital, the enrollee was informed that the collection action would be stopped provided the enrollee began making payments on the balance owed. The enrollee made three payments totaling $55.00. Waldo continued to send the enrollee billing notices on a monthly basis until October, 2000.

B. An enrollee of Healthsource Maine (Hospital Account No. 60832595) received a stress test and EKG at Waldo in February of 1999. Healthsource made payment on a portion of the claim but refused payment on the remainder of $85.05. Waldo pursued collection of the balance from the enrollee and, when it did not receive payment, sent the matter to a collection agency in Massachusetts. The collection agency pursued an action against the enrollee and erroneously included charges for services provided to some other individual at Boston Medical Center and Quincy Radiology. As a result, the collection agency pursued an action against the

enrollee totaling $2,938.84. Healthsource represented to the Superintendent that the balance of the claim was paid in February 2000 to avoid additional enrollee billing.

C. An enrollee of Healthsource (Hospital Account No. 10327) received a CT Scan at Waldo. Healthsource denied payment for the CT Scan on the basis that the hospital had not been precertified for the service. The service was performed in September of 1999. As Healthsource denied payment for the service, which was billed by the hospital at $561.75, Waldo began billing the patient for the amount that Healthsource would not pay. Waldo continued to bill this patient until October 2, 2000.

D. An enrollee of Blue Cross Blue Shield of Maine (Hospital Account No. 60583706) received a mammogram at Waldo in July of 1998, which was not paid by Blue Cross. While Blue Cross and Waldo were in dispute over the claim, Waldo advised the enrollee that, pursuant to the waiver that she had signed, she was responsible for paying for the service if the insurance company did not. Waldo further advised the enrollee to pay the bill, and that it would attempt to obtain reimbursement for the enrollee from Blue Cross.

9. Waldo has responded to a request for its position regarding its handling of the above-referenced claims. Waldo has responded as follows:

A. Hospital Account No. 6090625: "This account was unfortunately transferred to a collection agency, and when this action was brought to my [Gordon L.

Tibbetts, Chief Financial Officer] attention on November 24, 1999, I had it immediately removed from the collection agency. The hospital [Waldo] has given up on the $1,574.00 balance and written it off as a bad debt, as of October 6, 2000. Hospital has no requirement in its contract with Healthsource to precertify CT scans"

B. Hospital Account No. 60832595: "After spending one year pursuing this account, by both the patient and the hospital, Healthsource finally paid the entire claim in February of 2000."

C. Hospital Account No. 10327: "This patient received a CT Scan and Healthsource claimed the scan was not precertified. The patient's physician appealed that determination and Healthsource did not pay the claim. The account has been written off as a bad debt. Hospital has no requirement in its contract with Healthsource to precertify CT scans."

D. Hospital Account No. 60583756: "Blue Cross finally paid the claim after a one- year battle."

E. Waldo's objections to the positions taken by the Superintendent are set forth in a letter from its legal counsel, a copy of which is attached.

CONCLUSION OF LAW

10. As described in paragraph 8A above, the Superintendent concludes Waldo violated 24-M.R.S.A.§ 4204 by seeking to collect from the enrollee of the health maintenance organization and by pursing action through a collection agency to collect such sums.

11. As described in paragraph 8B above, the Superintendent concludes Waldo violated 24-A. M.R.S.A. § 4204 by attempting to collect from the enrollee and by pursing an action through a collection agency to collect said sums.

12. As described in paragraph 8C above, the Superintendent concludes Waldo violated 24-A M.R.S.A. § 4204 by attempting to collect from the enrollee.

13. As described in paragraph 8D above, the Superintendent concludes Waldo violated 24-A. M.R.S.A. § 4204 by attempting to collect from the enrollee and by requiring the enrollee to complete a waiver asserting to hold the enrollee responsible for such sums not paid by the health maintenance organization.

14. Waldo's objection to the conclusions of law reached by the Superintendent are set forth in a letter from its legal counsel, a copy of which is attached.

COVENANTS

15. A formal hearing in this proceeding is waived and no appeal will be taken.

16. At the time of executing this agreement, which is an enforceable agency action under the Maine Administrative Procedure Act, Waldo shall pay to the Maine Bureau of Insurance a penalty in the amount of $1,500.00 drawn to the Treasurer of the State of Maine.

17. At the time of executing this agreement, Waldo shall provide documentation establishing either that Waldo has, with respect to the accounts referenced in paragraphs 8A - 8D above, written off balances owed or that payment was ultimately made by the health maintenance organization.

18. At the time of executing this agreement, Waldo shall send a letter to each enrollee identified in paragraphs 8A - 8D of this Consent Agreement advising them that no further sums are due and owing, and that no further action will be taken, and, to the extent any collection action had been initiated, that Waldo will ask the collection agency to correct any negative history on the credit report of the enrollee.

19. At the time of executing this agreement, Waldo will ask the collection agency to correct any negative credit history resulting from the billing and collection activity pursued against Hospital Account No. 60906025 and 60832595.

20. At the time of executing this agreement, Waldo will pay to Cigna Healthsource the sum of $55.00 for which Cigna reimbursed the enrollee/patient subject of Hospital Account No. 60906025 and the sum of $85.05 which Cigna paid on behalf on the enrollee/patient subject of Hospital Account No. 60832595.

21. Waldo shall comply with its Billing Policy and Procedure dated October 1, 2000 and attached hereto, and any future amendments made by Waldo thereto.

22. In consideration of Waldo's execution of and compliance with the terms of this Consent Agreement, the Superintendent agrees to forego pursuing any disciplinary measure or civil sanction for the violations described above, other than those agreed to herein.

MISCELLANEOUS

23. Waldo understands and acknowledges that this agreement will constitute a public record within the meaning of 1 M.R.S.A. § 402, and will be available for public inspection and copying as provided by 1 M.R.S.A. § 408.

24. This agreement may be modified only by the written consent of the parties. Waldo may request modifications of this agreement no earlier than one year from the date that this agreement is executed.

25. Before executing this agreement, Waldo was informed of its right to consult with counsel.

26. Nothing herein shall prohibit the Superintendent of Insurance from seeking an order to enforce this Consent Agreement, or from seeking additional sanctions in the event Waldo does not comply with the above terms, or in the event the Superintendent receives evidence that further legal action is necessary for the protection of Maine consumers.

27. The parties understand that nothing herein shall effect any rights or interests of any person who is not a party to this agreement.

FOR WALDO COUNTY COMMUNITY HOSPITAL

Dated: April 2, 2001 By: ____________________
Mark A. Biscone, Executive Director
(Type Name and Title)

Subscribed and sworn to before me this 2nd day of April, 2001.

____
NOTARY PUBLIC
My Commission Expires 9/27/2005

FOR THE SUPERINTENDENT OF INSURANCE

Dated: 4/6, 2001 ____________________
ALESSANDRO A. IUPPA
Superintendent of Insurance

Subscribed and sworn to before me this 6th day of April, 2001.

Lyndy P. Morgan
NOTARY PUBLIC
LYNDY P. MORGAN
NOTARY PUBLIC • MAINE
MY COMMISSION EXPIRES NOVEMBER 14, 2005

FOR THE MAINE ATTORNEY GENERAL

Dated: April 4, 2001

Carolyn A. Silsby
CAROLYN A. SILSBY
Assistant Attorney General

Subscribed and sworn to before me this 4 day of April, 2001.

NOTARY PUBLIC Attorney-at-law

DUANE, MORRIS & HECKSCHER LLP

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December 12, 2000

VIA FEDEX & FAX

Carolyn A. Silsby, Esq.
Assistant Attorney General
Professional & Financial Regulation Division
6 State House Station
Augusta, ME 04333-0006

Re: Waldo County General Hospital

Dear Ms. Silsby:

On November 21, 2000, you, Greg Brodek and I engaged in a telephone conference to discuss certain issues raised by the proposed Consent Agreement for Waldo County General Hospital (the "Hospital"), which was sent by Assistant Attorney General Judith Shaw Chamberlain to Mr. Brodek with a cover letter dated October 30, 2000. Mr. Brodek and I relayed to you that the Hospital believes the Consent Agreement raises three general issues; the statutory authority for the Consent Agreement, whether the acts complained of in the Consent Agreement, even if true, constitute a violation of the law cited, and the accuracy of the facts recited in the Consent Agreement. In response, you asked that the Hospital submit its assessment of, and position on, these issues to you in writing. On behalf of the Hospital, we have done so below.

I. Introduction

According to the Consent Agreement, the Superintendent of Insurance (the "Superintendent") maintains that the Consent Agreement is authorized by 5 M.R.S.A. §

9053(2), and purports to resolve, without resort to an adjudicatory proceeding, alleged violations of 24-A M.R.S.A. § 4204(6). The Superintendent alleges that the Hospital violated Section 4204(6) by seeking to collect from enrollees sums that the Superintendent avers the Hospital believed to be owed by Health Maintenance Organizations ("HMOs") and, in some cases, using a collection agency to do so. As part of the Consent Agreement, the Hospital is required to pay the Bureau of Insurance (the "Bureau") a penalty of $3,000, notify all national credit bureaus of the alleged erroneous billing and collection activity it pursued, reimburse one of the enrollees the amount it collected, and cease all collection actions, new and in the future, including HMO and ERISA.

As an initial matter, we wish to submit for the record that the Hospital received the Consent Agreement without any forewarning from the Bureau, the Attorney General's Office, or anyone else. The Hospital was very surprised and, of course, disappointed to receive the Consent Agreement in light of the meeting between Hospital representatives and representatives from the Bureau, including the Superintendent, on September 27, 2000.

The Hospital voluntarily initiated the meeting with the Superintendent as a first step in arriving at an adequate and effective means of addressing, correcting and/or preventing what the Bureau may have perceived as a violation of Chapter 56 of the Maine Insurance Code (the "HMO Act"). It is somewhat ironic that the Hospital rather than the Superintendent initiated the meeting because if the Bureau has any authority to enforce the alleged violation of the HMO Act directly against the Hospital, the scope of that authority is limited as prescribed at Section 4221(2) of the HMO Act, which authorizes the Superintendent to convene such a meeting.

Subsequent to the meeting on September 27, 2000, Gordon Tibbetts, on behalf of the Hospital, sent a letter to Superintendent Iuppa dated October 4, 2000, which outlined the various steps the Hospital had taken and was taking in response to the Bureau's concerns, including draft policies and procedures. In closing, Mr. Tibbetts wrote, "It is our sincere hope that this action plan will address the Bureau's concerns."

Accordingly, the Hospital reasonably expected that if the Bureau believed that the Hospital's action plan was not adequate, the Bureau would have responded to Mr.

Tibbetts by letter with suggested modifications to the plan. In the Hospital's view, this would have been the appropriate action under 24-A M.R.S.A. § 4221(2) if, indeed, the Bureau has any authority to enforce the alleged violation of the HMO Act directly against the Hospital. Instead, the Hospital received the Consent Agreement from the Attorney General's Office.

II. The Bureau Does Not Have Statutory Authority to Enforce an Alleged Violation of Section 4204(6) of the HMO Act Directly Against the Hospital

2-1 Section 4221 of the HMO Act Contains the Penalty and Enforcement Provisions that Control Here

The Bureau's sole authority to levy penalties and take other enforcement actions with respect to alleged violations of the HMO Act is contained in the HMO Act itself at 24-A M.R.S.A. § 4221. Although Chapter 1 of the Maine Insurance Code contains a general penalty and enforcement provision at Section 12-A, that provision, on its face, does not apply "when the applicable law" specifies a different penalty. See 24-A M.R.S.A. § 12-A.

Here, the Superintendent alleges that the Hospital violated the HMO Act. Accordingly, the HMO Act is the relevant "applicable law" under Section 12-A. Because the HMO Act contains its own penalty and enforcement provisions at Section 4221, the Bureau's authority to enforce an alleged violation of Section 4204(6) directly against the Hospital must be found, if at all, within the statutory scheme set forth at Section 4221.[1]

2-2 Section 4221 Does Not Provide for a Penalty or Enforcement Action Against a Provider, Like the Hospital

Section 4221 lists the only four actions the Superintendent, on behalf of the Bureau, may take to enforce an alleged violation of the HMO Act, of which Section 4204(6) is part. See 24-A M.R.S.A. §§ 4221(1) - (4). All four actions are directed at

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[1] See 24-A M.R.S.A. § 4222 for further support that the HMO Act is to operate independently from other provisions of the Maine Insurance Code in this and other respects.

HMOs, not at providers. Id. Three of the actions may be taken by the Bureau only against HMOs as entities. Id. at §§ 4221(1), (3) & (4). Only one action may be taken by the Bureau against the HMOs' "representatives, or other persons" associated with the HMOs who appear to be involved in a suspected violation by the HMOs. Id. at § 4221(2).

Section 4221(2) states, in relevant part:

> If the superintendent . . . shall for any reason have cause to believe that any violation of [the HMO Act] has occurred or is threatened, the superintendent . . . may give notice to the [HMO] and to the representatives, or other persons who appear to be involved in such suspected violation, to arrange a conference with the alleged violators or their representatives for the purpose of attempting to ascertain the facts relating to such suspected violation and, in the event it appears that any violation has occurred or is threatened, to arrive at an adequate and effective means of correcting or preventing such violation.

24-A M.R.S.A. §4221(2) (emphasis added). The language used in Section 4221(2), read in light of the statutory scheme created in Section 4221, makes clear that it was intended to be an alternative means by which the Bureau could address alleged violations of the HMO Act by HMOs short of levying penalties, issuing cease and desist orders, or seeking an injunction in Superior Court.[2]

Accordingly, because Section 4221 of the HMO Act contains the controlling penalty and enforcement provisions, and because Section 4221 does not provide for a penalty or enforcement action to be taken against a provider, like the Hospital, the Bureau

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[2] For the sake of argument, even if the Hospital somehow is subject to Section 4221(2), the Bureau's sole remedy is to work with the Hospital to "arrive at an adequate and effective means of correcting or preventing" an alleged violation, a process the Hospital thought had begun on September 27, 2000, when it met with Bureau representatives.

does not have statutory authority to enforce an alleged violation of Section 4204(6) directly against the Hospital. Rather, the Bureau must seek to enforce such alleged violation against the HMO.

III. The Consent Agreement Is Not Authorized by 5 M.R.S.A. § 9053(2)

The Bureau avers that the Consent Agreement is authorized by 5 M.R.S.A. § 9053(2). Pursuant to Maine law, agencies may "[m]ake informal disposition of any adjudicatory proceeding by stipulation, agreement, settlement or consent order." Id. (emphasis added). Accordingly, the Consent Agreement is authorized under 5 M.R.S.A. § 9053(2) only if an adjudicatory proceeding is authorized based on the facts and law in dispute.

The Maine Administrative Procedure Act defines "adjudicatory proceeding" as "any proceeding before an agency in which the legal rights, duties or privileges of specific persons are required by constitutional law or statute to be determined after an opportunity for hearing." 5 M.R.S.A. § 8002(1). The HMO Act provides for adjudicatory proceedings only in situations where an HMO's certificate of authority is subject to suspension or revocation.[3] See 24-A M.R.S.A. §§ 4216 and 4219. Because this dispute does not involve the suspension or revocation of an HMO's license, the HMO Act does not authorize an adjudicatory proceeding and, therefore, the Consent Agreement is not authorized by 5 M.R.S.A. § 9053(2).

IV. The Hospital Has Not Violated Section 4204(6)

The Superintendent, on behalf of the Bureau, alleges that the Hospital violated Section 4204(6), and cites specifically Section 4204(6)(B), of the HMO Act by seeking to collect from enrollees sums that the Superintendent avers the Hospital believed to be owed by HMOs and, in some cases, using a collection agency to do so. Section 4204(6) states, in relevant part:

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[3] The Maine Insurance Code limits authorization for adjudicatory proceedings similarly in other provisions. See e.g., 24-A M.R.S.A. §§ 416, 417, 2675, 2736-A and 2774.

> Every contract between a [HMO] and a participating provider of health care services must . . set forth that in the event the [HMO] fails to pay for health care services as set forth in the contract, the subscriber or enrollee may not be liable to the provider for any sums owed by the [HMO].

24-A M.R.S.A. § 4204(6) (emphasis added).

Section 4204(6)(B) states, in relevant part:

> No participating provider . . . may maintain any action at law against a subscriber or enrollee to collect sums owed by the [HMO].

24-A M.R.S.A. § 4204(6)(B) (emphasis added).

The Hospital believes that it is beyond reasonable argument that the phrase "any action at law" in Section 4204(6)(B) means a court action. See e.g., Wissner v. Wissner, 338 U.S. 655 (1950) (dissenting opinion). Because neither the Hospital nor any of the Hospital's agents ever maintained a court action to collect any of the sums specified in the Consent Agreement, the Superintendent has no basis upon which to aver a violation of Section 4202(6)(B) on the part of the Hospital. Therefore, the only question is whether the Hospital violated Section 4202(6).

Whether the Hospital violated Section 4204(6) depends on the answer to two questions. First, whether Section 4204(6) places an affirmative duty on the Hospital not to collect or attempt to collect in any manner sums owed by the HMO. Second, if the first question is answered in the affirmative, whether the sums at issue were owed by the HMO.[4]

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[4] In light of the Superintendent's allegations throughout the Consent Agreement that the Hospital attempted to collect "sums it believed to be owed by the [HMO]," (emphasis added), it is important to note that the relevant statutory language makes no
(continued...)

Section 4204(6) is directed at HMOs seeking Certificates of Authority. Unlike Sections 4204(6)(A) and (B), which state that a "participating provider may not" or "no participating provider may" do something, Section 4204(6) is not directed at, or directed at regulating the conduct of providers, like the Hospital.

Section 4204(6) places a duty on HMOs to include a clause in their agreements with providers stating that "the subscriber or enrollee may not be liable to the provider for any sums owed by the [HMO]." 24-A M.R.S.A. § 4204(6). By including such a clause in their provider agreements, HMOs satisfy the duty they owe to the State by statute. If the HMOs fail to satisfy this duty, the Superintendent may seek enforcement against the HMOs under the HMO Act's penalty and enforcement provisions at 24-A M.R.S.A. § 4221.

In contrast, Section 4204(6) does not direct providers, or regulate the conduct of providers to do, or not to do anything. As such, it creates no duty on the part of providers to the State. Indeed, if it creates a duty on the part of the providers to anyone, it is to the HMOs under contract law and only by virtue of the relevant clause becoming part of the contracts between HMOs and the providers.

The Superintendent avers in the Consent Agreement that the contracts between the HMOs and the Hospital contain clauses that comport with Section 4204(6). Therefore, if the Superintendent believes that the Hospital may have breached those clauses of the contracts, his remedy lies in an action against the HMOs to force them to enforce the contracts.

In addition, if Section 4204(6) somehow creates a duty on the part of the Hospital to the State, the Hospital believes that, at most, the Hospital has a duty not to maintain a court action against a subscriber or enrollee for any sums owed by the HMO. Section 4204(6) and 4204(6)(B) speak only to collection activities that involve the powers of the courts, as evidenced by the plain meaning of the term "liable" in 4204(6) and the phrase "action at law" in 4204(6)(B). It is only in Section 4204(6)(A) that the statute speaks to

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[4](...continued)
reference to beliefs or speculations on the part of any person or entity.

other types of collection activities, as evidenced by the use of the phrase "collect or attempt to collect." Section 4204(6)(A) is not at issue here.

The Superintendent implies in the Consent Agreement that Section 4204(6) standing alone creates a duty on the part of the Hospital not to collect or attempt to collect in any manner sums owed by the HMO. If that is true, then Section 4204(6)(B) is superfluous. It is a basic tenet of statutory construction that statutes will not be interpreted or construed in such a manner. Accordingly, the Hospital believes that a fair reading of the statutory scheme at Sections 4204(6), (6)(A) and 6(B) establishes that the Hospital has no duty to the State to refrain from collecting or attempting to collect from the subscriber or enrollee sums owed by the HMO, short of a court action. Again, the Hospital may have such a duty to the HMO by virtue of the contract between them, which the HMO may seek to enforce.

With respect to whether the specific sums specified in the Consent Agreement were owed by the HMO per Section 4202(6), the Hospital's position is that the HMO has the initial and primary responsibility to determine whether the services furnished to its enrollees were covered services. In addition, Section 4206(6) does not and did not require the Hospital to argue, litigate or adjudicate a coverage denial by the HMO. By denying coverage, the HMO was informing the Hospital that it, the HMO, did not owe the sums associated with the services furnished by the Hospital. Under any reasonable reading of Section 4206(6), the Hospital was free, at that time, to attempt to collect the sums from the patients who received the care.

V. <u>The Hospital Disagrees with Certain Allegations in the Consent Agreement</u>

The Hospital disagrees with or has not confirmed the following factual allegations:

Paragraph 2 -	The Hospital's correct address is not 56 Northport Avenue, it is 118 Northport Avenue.
Paragraph 3 -	The Hospital is not aware of the scope of the alleged assignment.
Paragraph 7 -	The Hospital disagrees with this allegation.
Paragraph 8A -	The Hospital disagrees with this allegation. The contract between the Hospital and Healthsource only requires the Hospital to "notify"

	Healthsource of inpatient admissions. The Hospital is not required even to notify Healthsource of outpatient or ancillary services.
Paragraph 8D -	The Hospital disagrees with this allegation. The correct account number for this patient is 60583706. Furthermore, there is no requirement in the relevant contract to file anything within 90 days. Nonetheless, the time period from date of service to payment was 70 days. The Hospital disputes the statement that Blue Cross paid this bill "in order to remove the enrollee from the middle of its payment dispute with Waldo."
Paragraph 9 -	The Hospital disagrees with this allegation. The Hospital, not the Bureau, initiated the meeting on September 27, 2000, and Mr. Tibbetts sent his letter as a follow-up to that meeting.
Paragraphs 10-13 -	The Hospital disagrees with these allegations.

Greg Brodek and I are available to discuss this matter at your convenience. Of course, if you have questions on any of the above, do not hesitate to call Mr. Brodek at (207) 990-4800 or me at (202) 776-7863.

Very truly yours,

David H. Robbins

For DUANE, MORRIS & HECKSCHER LLP

DHR:ls
cc: Greg Brodek, Esq.

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