

Pair of Medicaid Kings With a Midas Touch

By WILLIAM SHERMAN

(Seventh of a Series)

Meet the Medicaid Kings: Two men from Long Island who in three years parlayed a corner dental office on W. 125th St. in Harlem into a multimillion-dollar medicaid conglomerate, the biggest in the city, offering services from allergy care to methadone and piercing ears.

According to Health Department records, examined by THE NEWS as part of an investigation of medicaid, the top billing center in the city is run by

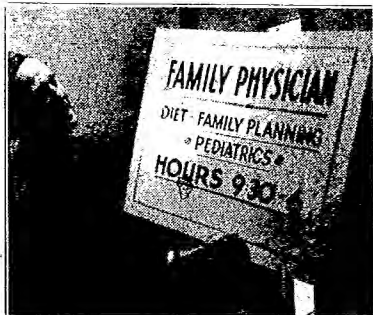
MEDICAID PROBE

Benjamin Schneider, 57, and his brother-in-law, Victor Marcus, 58.

Back in 1946, soon after they were discharged from the Army, Schneider and Marcus started to practice dentistry at 79 W. 125th St.

Twenty-three years later, medicaid came to Harlem, and today, Schneider, who lives in Woodmere, and Marcus, of Roslyn, preside over the Ben-Vic Corp.

That corner office on the second floor has been expanded into the Lenox Medical Building, three floors of waiting rooms, 12 dental chairs, a \$100,000-



NEWS photo by Mel Finkelstein

Advertising sign is removed from the dental office at Lenox Medical Bldg., W. 125th St.

a-year pharmacy, and offices for obstetrics, internal medicine, podiatry, pediatrics, optometry, ear-nose-throat and gynecology. The center is supported by medicaid and is open six days a week, from 10 a.m. to 7 p.m.

"You know," said Marcus, "last year our dentistry did over \$400,000." It is the highest grossing medicaid dental operation in the city.

One of the center's physicians, Dr. Donald Cunningham, 52, was the No. 1 medicaid-billing physician in the city during 1971 with \$165,096 in earnings. For the first six months of 1972, he billed medicaid for \$98,862.

Half of that sum went to Schneider and Marcus by a rental agreement under which the center provides Cunningham with an examining room, receptionist and nurses in return for 50% of his gross billing. Other practitioners at the building have identical agreements with Ben-Vic, or the NewMar Corp., another Schneider-Marcus enterprise.

"Everybody in Harlem knows me," said Schneider. "You see me walk down the street, all the blacks say hello. We've been up here for years, that's how we built up our practice."

But inside the center, the atmosphere isn't always that friendly. Marcus, Schneider and Cunningham carry licensed guns in their waistbands.

"I never fired it, I've just had to pull it out a couple of times to threaten people who were getting rough," said Schneider.

"I hire all black help and I try to stay in the back. The blacks that come in here don't want to see a white face. It's bad for business so I let the girls handle the patients."

During peak periods last year, patients passed through examining rooms at the rate of one every five minutes. On some days, one doctor was seeing more than 75 patients in less than six hours, according to the Health Department.

Many ended their visits at the pharmacy, a

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Two Medicaid Kings With the Midas Touch

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4-by-10-foot area partitioned from the main waiting room by glass.

The pharmacy is part of a chain of seven medicaid oriented drugstores owned by the HTC Corp. "We do about \$100,000 a year here," said pharmacist Mark Skopov who said he is paid \$400 for his six-day work week.

"I fill from four to 500 prescriptions a week and we pay Schneider \$650 a month rent," he said.

In the basement of the center are two 3-by-5-foot rooms, that had been rented to Alpone Labs for \$3,000 a month. In return, Alpone had exclusive rights to process all lab tests for the center's patients.

Alpone billed the city for processing the tests at its headquarters at 903 Lexington Ave. In 1971, they were the highest-billing medicaid lab in the city with \$652,000 in earnings. Last year, they doubled their earnings rate and during the first six months billed for \$616,052—and remained No. 1. The center has since dropped Alpone.

They're Paid \$10 An Hour

The dentists, who work in well-equipped rooms in a third-floor wing, are paid \$10 an hour, according to Schneider, plus a small percentage of the medicaid billing. The remainder goes to BenVic.

"We do about \$1,000 a day, mostly in prosthetics (false teeth), and it's our biggest business — all clean and legal," Marcus said. He supervises the dental offices while Schneider runs the rest of the center.

In offices on the second floor, Arnold Regan, a podiatrist, sees patients and pays BenVic \$355 a month rent. Optometrists, "who come and go," according to Schneider, work in another small room and pay the corporation \$35 a day in rent.

The center has its own X-ray apparatus, including a \$1,000 developer so that doctors can read most of their own plates. The more complicated X-rays are diagnosed by radiologist David Chastanet who billed the city independently for \$47,651 in 1971.

For the three floors of offices, BenVic and NewMar pay building landlord Theodore Parisi \$1,100 a month rent, according to Schneider.

"When we started up here in Harlem, years ago, it was virgin territory, and gradually we built up our practice," said Marcus, a stocky, congenial man.

"Then three years ago, when medicaid got going strong, we decided to expand. Most of the first floor was occupied by a radio store. We took that over, invested \$130,000 and put up the center," said Schneider.

"Business started picking up when we started getting referrals from narcotics treatment agencies and we got into methadone detoxification," said Schneider. He said the program was "set up by the city."

Dr. Cunningham saw most of the addicts, and while billing as an internist at a rate of \$8 a visit he was often seeing more than 80 patients a day.

"I gave them all the best care in the time I had," said Cunningham.

ham, a native of Guyana, who lives in St. Albans, Queens.

However, during a Health Department investigation of the center last summer, Cunningham was warned that an internist should see no more than 25 patients a day to insure quality care.

"Look," he said, "I saw those patients because they came here. I worked long hard hours." The department, however, said that he worked only six hours a day at the center.

Then the Health Department probed further and senior medical auditor Dr. Howard Katz found other discrepancies and in reports cited double billing for services rendered, wholly inadequate patient records, and inadequate physical examinations.

Pediatric records reviewed by Katz showed that routine immunizations, such as for measles, small pox, and booster shots were omitted. The Health Department is now holding back \$20,000 worth of Cunningham's bills.

Cunningham denied the charge of double billing in a recent interview and said that the computer downtown was fouled up.

Schneider told a NEWS reporter; "I'm not saying we give the best care, but we give good care and perform a service in the community. I wouldn't hire a doctor who wasn't high quality."

Cunningham, whose income last year was supplemented by a private practice, said, "They pay a man \$100,000 to throw a football and everybody cheers. A doctor earns \$200,000 and they scream bloody murder."

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