STERNS & WEINROTH
A PROFESSIONAL CORPORATION
COUNSELORS AT LAW
50 WEST STATE STREET
SUITE 1400
P.O. BOX 1298
TRENTON, NEW JERSEY 08607-1298
(609) 392-2100
FACSIMILE
(609) 392-7956
WWW.STERNSLAW.COM

5 MAPLETON ROAD
PRINCETON, N.J. 08540-9614
(609) 924-9048

Writer's Direct Line: (609) 989-5040
e-mail: mschorr@sternslaw.com

File No.: 50442-02

September 29, 2005

Ms. Joanne Boyer, Exec. Director
New Jersey State Board of Dentistry
124 Halsey Street, 6th Floor
P.O. Box 45005
Newark, NJ 07101-5005

Re: Correctional Medical Services, Inc./AllCare Dental Group, LLC

Dear Ms. Boyer:

We represent Correctional Dental Associates ("CDA"). We wrote to you on May 25, 2005 in order to place before the Board of Dentistry questions concerning the employment of dentists by Correctional Medical Services, Inc. ("CMS"), a proprietary corporation under contract to provide dental services to the New Jersey Department of Corrections. It was our belief at the time that CMS would itself provide the dental services, which it could not do under the Professional Service Corporation Act (the "Act"). We are enclosing a copy of our May 25, 2005 letter to you for your ease of reference.

We have since learned that CMS appears to have formed a limited liability company, AllCare Dental Group, LLC, solely for the purpose of providing the dental services under CMS's contract with the State. AllCare's majority owner and dental director is the spouse of CMS's Medical Director, who is himself a minority owner of AllCare.

As we discussed in our earlier letter, the purpose of the requirement in the Act that professionals alone own professional corporations is to ensure that those professionals retain control over their patient relationships and that they not be answerable to corporate executives for the care they provide. Therefore, because CMS could not itself provide dental services to the Department of Corrections, CMS also could not, consistent with the Act, provide those services through a subcontractor it forms or controls. AllCare is such a subcontractor.

We have also enclosed for your information a copy of a redacted version of CMS's subcontract with AllCare. We obtained it through a request under the Open Public Records Act. Not only does it appear that CMS created AllCare for the sole purpose of providing

dental services pursuant to CMS's New Jersey contract, under its subcontract with AllCare, CMS will provide to AllCare all necessary administrative support and ancillary services--including office space, supplies, office staff, and assistance in the recruitment of dentists. CMS is also required under the subcontract to provide professional liability insurance for AllCare dentists. Furthermore, we understand that CMS actually employs and furnishes dental assistants to AllCare.

In other words, AllCare is simply a vehicle for CMS to employ the dentists who deliver services CMS promised to provide under its contract with the State. We wrote to you on May 25 about this because we believed circumstances warranted the Board's investigation into the propriety of CMS's employment of dentists. The subcontract, we believe, only confirms that the dentists who provide services pursuant to a State contract are being employed in violation of the Act, which, as noted above, places strict limitations on the ability of corporations to employ professionals.

Therefore, we ask once again that the Board investigate AllCare at its earliest convenience. If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,

Mark D. Schorr

MDS:vkb
Enclosure
cc: Leslie A. Hayling, Jr., D.D.S., President
Correctional Dental Associates