Medicaid Fraud Control Unit (MFCU)
MFCU
Federal Authority

- MFCUs are located in 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands
- Authorized under federal law and receive federal funding
- 2018 MN Medicaid spending = $12.5 billion
MFCU
Federal Authority (Cont’d)

• **Duty to Investigate and Prosecute:**
  - Fraud in the administration of the Medicaid Program.
  - Abuse or neglect of patients in health care facilities or agencies receiving Medicaid payments.
  - Misappropriation of patient’s private funds when they are receiving services from a Medicaid provider.
  - Abuse and neglect in assisted living facilities.
STAFF

- Seven attorneys
- One Investigative auditor
- One Lead investigator
- Sixteen Investigators
- Three Paralegals and
- Four legal support staff
MEDICAID FRAUD UNIT
STATISTICS

• Investigations (July 1, 2017- June 30, 2018)
  ➢ Opened 75 fraud cases and 3 abuse, neglect and financial exploitation

Criminal
  ➢ Filed 47 criminal complaints for fraud
  ➢ Convicted 62 fraud defendants
  ➢ Restitution was ordered in the amount of $10,584,679.36
• Civil

- Civil judgments in the amount of $2,857,813.90 were negotiated

- 3 license suspension

- 48 program suspensions
MFCU Cases, Example 1

Personal Care Assistant (PCA) case:

- A PCA billing services when he worked another job out of state and when client hospitalized.
- Could not have been in two places at once.
- Cannot bill for PCA services when client is hospitalized.
- Was splitting the money with the responsible party.
- The responsible party was also charged.
MFCU Cases, Example 2

Personal Care Provider Organization (PCPO) case:

• PCPO owner allowed individuals who were not qualified to provide PCA services, the owner then submitted claims under other NPI numbers.
• PCPO owner also submitted claims without a QP on staff and billed for more hours than were reported on time sheets.
• Prison sentence of 68 months was stayed
• A year in jail
• 20 years probation
• Restitution of $601,070.53.
• License Exclusion by Health and Human Services (HHS)/ Office of the Attorney General (OIG) (federal) from Medicaid/Medicare for minimum of 5 years
PCPO case:

- Defendant 1 was convicted of fraud and was excluded by HHS/OIG. Owner opened another agency listing Defendant 2 as owner of the new agency. Defendant 1 was active in the operation of the new agency while excluded.
- Stole identity of a QP and reported to the DHS that had a QP on staff.
- Submitted claims for more hours that was reported by the PCA and also submitted claims under PCAs that did not provide services.
- Defendant 1 – 33 months in prison
- Defendant 2 – Stay of imposition, 175 days in jail
- Restitution of $132,883.55 (joint and several)
MFCU Cases, Example 4

PCPO case:

- PCPO owner submitted claims for services that did not occur
- PCPO owner unlawfully served as R/P
- Stole identity of a QP and falsely represented to DHS that the person’s whose identity was stolen was the QP for the agency.
- Paid kickbacks to recipients.
- Stay of Imposition of sentence
- 365 days in jail, alternating between 90 days in and 90 days of EHM.
- Restitution of $195,093.38 with a minimum payment of $25 a month. Plus payments to victims of identity theft.
- License Exclusion by HHS/OIG (federal) from Medicaid/Medicare for minimum of 5 years
MFCU Cases, Example 5

PCA case:

- PCA cared for 2 recipients at the same time (shared care) but submitted time sheets reporting that PCA only cared for one recipient at a time.
- Stay of Imposition
- 300 hours of community service work / 30 days EHM
- Restitution of $15,426.76
- License Exclusion by Health and Human Services (HHS) or the Office of the Inspector General (OIG) (federal) from Medicaid, Medicare or both
Minnesota Statutes provide that “theft of public funds, no matter what the amount, is a felony” – that means billing for one unit of PCA services not provided is a felony.
PCAs Should Know That Falsely Reporting Hours They Do Not Work Could Result In Prosecution For A Felony

Possible penalties include:

- Exclusion from working at a Medicaid or Medicare funded job for at least five years, usually longer.
- Felony record makes it harder to find any job.
- Prison or Jail.
- Restitution.
- Deportation.
- Disqualification from Section VIII housing.
- Negative licensing actions for licensed providers.
HOW YOU AS A PCPO CAN HELP

• Tell the rules to your employees

  ➢ Employee Manuals

    • They receive the manual

    • They have an opportunity to ask questions about it

    • Have them sign that they understand
• Let them know that you will not tolerate false billing
  ➢ In addition to being fired they can be prosecuted.
  ➢ Include something on PCA’s time card that says: “I verify the accuracy of the information reported on this document and understand that submission of false documentation is cause for termination and possible criminal penalties.”
• Require accurate time cards from all employees.
  – Must include a.m. and p.m. designations

• Remind PCAs they are only paid for the hours they actually work.
The PCAs must accurately report hours.

- No one works 8:00 a.m. to 9:00 p.m. 7 days a week, 365 days per year without a break, without being late, without a doctor or dentist appointment, without being sick without missing an hour or a day.

- If it looks suspicious, it probably is suspicious.
HOW YOU AS A PCPO CAN HELP
(Cont’d 4)

• You may be asked to provide timecard documentation to SIRs or to MFCU as a requirement of the provider agreement.

  ➢ Keep your records in a logical order (by client)

  ➢ Keep up-to-date employee records
    • Change of address
    • Records of training
    • Disciplinary notes
HOW YOU AS A PCPO CAN HELP
(Cont’d 5)

- Remember that your billing must be supported by the time cards
  - You cannot bill based on the authorized hours of the service agreement
  - You can only bill for services actually provided
  - The time cards verify that the hours have been provided
HOW YOU AS A PCPO CAN HELP
(Cont’d 6)

Ensure only eligible PCAs are providing services pursuant to Minnesota law and MCHP rules, PCA services cannot be provided by:

– Spouse of recipient
– Parent of minor child
– QP for the recipient
– Consumer of PCA services
– RP of a recipient
Questions
Thank You

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