Medicaid Fraud Control Unit (MFCU)
MFCU
Federal Authority

• MFCUs are located in 49 states and the District of Columbia
• Authorized under federal law and receive federal funding
• 2017 MN Medicaid spending = $11 billion
MFCU
Federal Authority

• 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.
Seven attorneys
One Investigative auditor
One Lead investigator
Thirteen Investigators
Three Paralegals and
Four legal support staff
MEDICAID FRAUD UNIT
STATISTICS

• Investigations (07/01/2017 - 06/30/2018)
  ➢ Opened 75 fraud cases and 3 abuse, neglect and financial exploitation

Criminal
  ➢ Filed 81 criminal complaints for fraud
  ➢ Convicted 56 fraud defendants
  ➢ Restitution was ordered in the amount of $1,569,202.18
MEDICAID FRAUD UNIT
STATISTICS
(Cont’d)

• Civil

- Civil judgments in the amount of $9,056,508.64 were negotiated
- 2 license suspension
- 36 program suspensions
Example 1 (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.
Example 2 (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 HHS/OIG (federal) from Medicaid/Medicare for minimum of 5 years
Example 3 (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 HHS/OIG (federal) from Medicaid/Medicare pending.
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 MA/MC 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
HOW YOU AS A PCPO CAN HELP
(Cont’d)

• 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.”
HOW YOU AS A PCPO CAN HELP
(Cont’d)

• 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.
HOW YOU AS A PCPO CAN HELP
(Cont’d)

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)

• 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)

- 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)

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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