



The Office of the
Minnesota Attorney General
helping people afford their lives and live with dignity, safety, and respect

Medicaid Fraud Control Unit (MFCU)

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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 Medicaid-funded facilities, such as assisted living facilities and nursing homes

Staff

7 Prosecutors

1 Investigative Auditor

1 Lead Investigator

2 Analysts

16 Investigators

2 Paralegals

4 Legal Support Staff

Medicaid Fraud Unit Statistics

Investigations (Oct. 10, 2022 – Sept. 30, 2023)

- As of Sept. 30, 2023, MFCU had 198 open fraud cases and 10 open abuse and neglect cases.
- There were 45 cases with criminal charges.
- 45 cases had criminal convictions.
- The courts had ordered \$4,401,415.78 in criminal restitution.
- MFCU had recovered \$1,570,622.88 from civil cases.
- There were 42 exclusions.

MFCU Cases – Example 1

Personal care assistance (PCA) case

- A PCA billed for services when he worked another job out of state and when the client was hospitalized.
- The PCA could not have been in two places at once.
- PCAs cannot bill for PCA services when a client is hospitalized.
- The PCA was splitting the money with the responsible party.
- The responsible party was also charged.

MFCU Cases – Example 2

PCA Services Agency

- A PCA services agency owner allowed unqualified individuals to provide PCA services. The owner then submitted claims using other NPI numbers.
- A personal care provider organization (PCPO) owner also submitted claims without a qualified professional (QP) on staff and billed for more hours than were reported on time sheets.
- The court stayed a prison sentence of 68 months for the agency.
- The court ordered the agency to serve a year in county jail with 20 years probation.
- The court ordered the owner to pay restitution of \$601,070.53.
- Health and Human Services and the Office of Inspector General excluded the offender (agency owner) from Medicaid and Medicare licensing for a minimum of 5 years.

MFCU Cases – Example 3

PCA Services Agency

- Defendant 1 (mother) and defendant 2 (daughter) owned and operated a PCA services agency. Defendant 1 owned the business, while defendant 2 worked as a manager, administrator and designated biller.
- Defendant 1 and 2 both attended Steps for Success, and Defendant 2 attended the PCA Agency Resources and MN-ITS Training (previously known as the billing lab).
- The agency submitted over 1,200 fraudulent claims for services not provided and services not documented on timesheets.
- The agency also instructed PCAs to pay kickbacks to clients to induce clients to stay with the agency.
- After MFCU terminated the agency, defendant 2 worked with her father to enroll a new agency in someone else's name.
- The court ordered defendant 1 to one year in jail, a stayed 57-month prison sentence and 10 years probation.
- The court ordered defendant 2 to 57 months in prison.
- The court ordered restitution of \$1,139,954.67.

MFCU Cases – Example 4

Agency Case

- A family owned a series of home care agencies based in Michigan, with one branch located in Worthington, MN.
- The manager, a family member and licensed RN, operated the Worthington branch that provided home care nursing services throughout Southern Minnesota and fraudulently billed Medicaid by:
 - Billing for services not provided.
 - Billing for services provided by unqualified workers.
 - Overbilling for services, such as billing for 12 hours of services when timesheets documented 4 hours of services.
- A jury found the manager guilty of 14 felony theft offenses.
- The court sentenced the manager to 93 months in prison.
- The court ordered restitution of \$1,860,155.57.

The Law

**Minnesota Statutes state that
theft of public funds,
no matter what the amount, is a felony.
That means billing for one unit of
services not provided is a felony.**

Minn. Stat. 609.52, subd. 3(3)(d)(iv)

Falsely Reporting Hours Not Worked Could Result In a Felony Prosecution

Possible penalties include:

- Exclusion from working at a Medical Assistance or MinnesotaCare funded job for at least five years, usually longer
- A felony record that makes it harder to find **any** job
- A prison or jail sentence
- Restitution
- Collateral consequences of felony convictions can include:
 - Deportation
 - Disqualification from Section VIII housing
 - Negative licensing actions for licensed providers

How You as an Agency Can Help

Tell the rules to your employees.

Employee Manuals

- Ensure employees receive the manual.
- Ensure employees have an opportunity to ask questions about it.
- Have employees sign that they understand the rules.

How You as an Agency Can Help (cont. 1)

Let them know that you will not tolerate false billing.

- In addition to being fired, they can be prosecuted.
- Include something on PCA timecards 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 an Agency Can Help (cont. 2)

- **Require accurate timecards from all employees.**
 - Timecards must include a.m. and p.m. designations.
 - Timecards must list actual time worked, not standard “blocks of time” without regard to actual hours worked.
- **Remind Community First Services and Supports (CFSS) workers they are only paid for the hours they work.**

How You as an Agency Can Help (cont. 3)

CFSS workers must accurately report hours.

- No one works from 8 a.m. to 9 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, or without missing an hour or a day.
- If it looks suspicious, it probably is suspicious.

How You as an Agency Can Help (cont. 4)

You may be asked to provide timecard documentation to Medicaid Provider Audits and Investigations (MPAI) or to MFCU as a requirement of the provider agreement.

- Keep your records in a logical order (such as by client).
- Keep up-to-date employee records. Include:
 - Change of address
 - Records of training
 - Disciplinary notes

How You as an Agency Can Help (cont. 5)

Remember that your billing must be supported by the timecards.

- You cannot bill based on the authorized hours of the service agreement.
- You can only bill for services you provide.
- The timecards verify the hours you have provided services.

How You as an Agency Can Help (cont. 6)

- **Ensure only eligible CFSS workers are providing services pursuant to Minnesota law and Minnesota Health Care Program (MCHP) rules.**
- **CFSS services cannot be provided by:**
 - QP for the recipient
 - RP of a recipient
 - Anyone not enrolled as a CFSS provider

You can't have someone else "cover your shift" and then bill as if you did the work.

Questions?

Thank You

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