



Health Care Fraud Overview

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HHS Overview

Executive Branch Leadership:
Secretary Alex Azar (1/24/2018)


Employees: 75,500

Budget: Almost \$1 Trillion

Medicare/Medicaid:
Mandatory Spending is 85% of
HHS Budget




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OIG - Who We Are

- Established in 1976
- Forefront of efforts to fight fraud, waste and abuse in Medicare, Medicaid and more than 300 other DHHS programs
- Largest Inspector General's Office
- More than 1,600 employees dedicated to combating fraud, waste, and abuse and improving the efficiency of DHHS programs



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OIG Mission

PROTECT

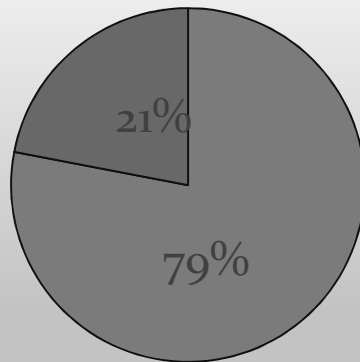
- Integrity of DHHS programs
- Health and welfare of program beneficiaries



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OIG WORK

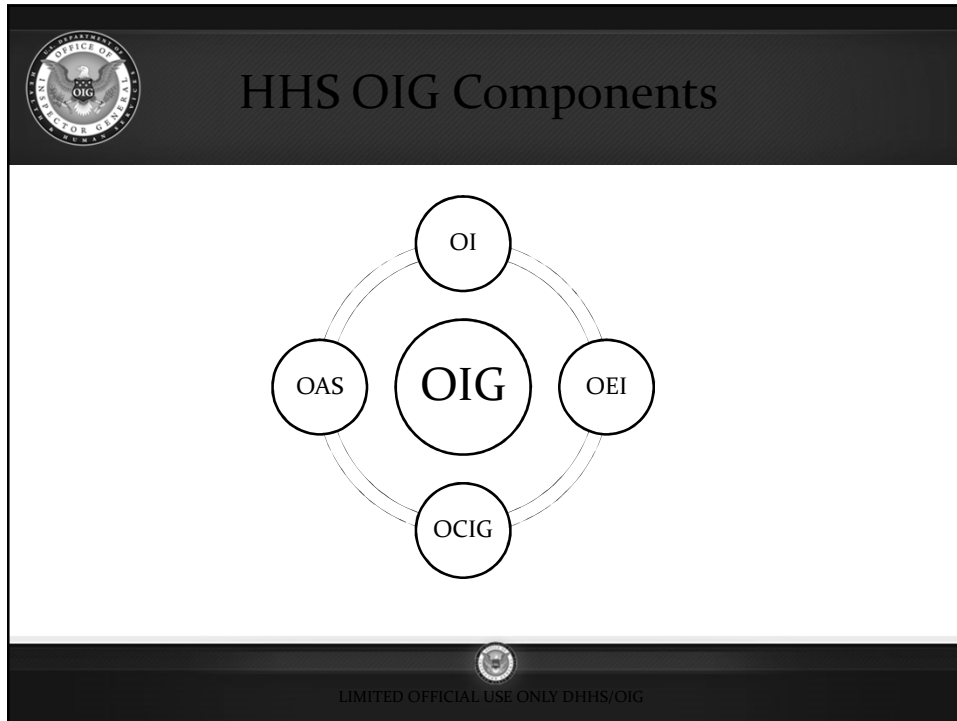


Much of our work involves Medicare & Medicaid, but we also deal with the Affordable Care Act, FDA, CDC, Child Support Enforcement, NIH, Head Start, Unaccompanied Minors, and more.

■ Medicare & Medicaid



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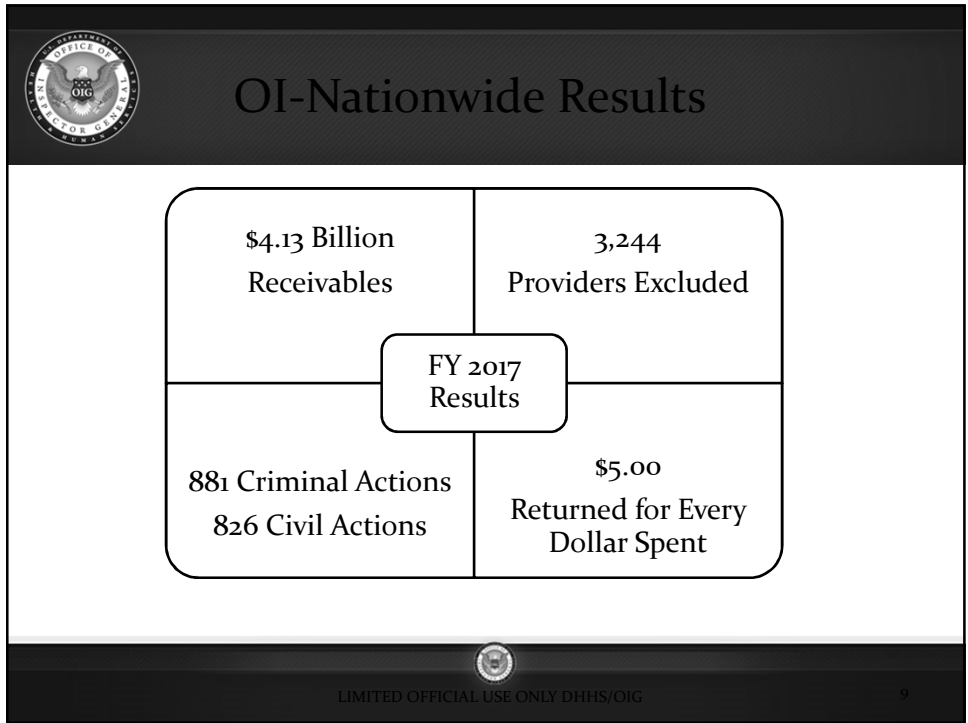


The slide features a dark grey header with the HHS OIG seal on the left and the title "OI- Nationwide" in the center. The main content area is white and contains a bulleted list of facts about the OI. The footer is dark grey with the HHS OIG seal and the text "LIMITED OFFICIAL USE ONLY DHHS/OIG" on the left, and the number "8" on the right.

OI- Nationwide

- OI consists of HQ, 10 Regional Offices, and multiple Field Offices.
- 583 employees nationwide, including 449 Criminal Investigators
- Criminal Investigators are sworn federal law enforcement officers and have the authority to carry weapons and execute search and arrest warrants.

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- OI Ohio**
- Two Offices: 1 in Cleveland and 1 in Columbus
 - 5 Agents in Cleveland
 - 6 Agents in Columbus
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Ohio Caseload

- 73% Criminal cases
- 27% Civil, CMPL, Administrative
- Almost all cases are prosecuted through the U.S. Attorney's Office.



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OI Ohio Results

- CY 2015: \$93,090,515
- CY 2016: \$23,270,226
- CY 2017: \$39,134,919



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Law Enforcement Partners

- U.S. Attorney's Office
- FBI
- DEA – Tactical Diversion Squad
- IRS-CID
- FDA-OCI
- Ohio Attorney General's Office, Medicaid Fraud Control Unit
- Ohio Bureau of Workers Compensation
- Local Law Enforcement
- State Boards (Medical, Chiropractor, Pharmacy)
- Private insurance companies (O.H.I.O. meetings)
- Citizens (hotline complaint, whistle blower...)



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How We Get Cases

- Proactive data analysis
- Private Insurance
- Other Law Enforcement Agencies
- OIG Hotline
- Patients
- Employees
- Whistleblowers



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Ohio Health Care Fraud Trends

- **Drug Diversion/Opiates**
 - Pain management
- **Home Health**
 - Independent providers
 - Conspiracy: HHC and MD
- **Medical Necessity** (billing for unnecessary services)
- **Kickbacks**
 - Drug companies, physicians, nursing home, home health
- **Grant Fraud**
 - Embezzlement



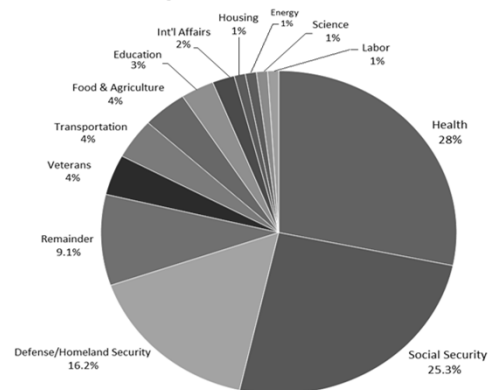
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Federal Budget

Percent of spending, including discretionary and mandatory



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Cost of Health Care Fraud

The National Health Care Anti-Fraud Association estimates conservatively that health care fraud costs the nation about \$68 billion annually — about 3 percent of the nation's \$2.26 trillion in health care spending. Other estimates range as high as 10 percent of annual health care expenditure, or \$230 billion.



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Wasted Money

We all pay for Health Care Fraud:

- ↑ Health insurance premiums
- ↑ Co-payments
- ↑ Taxes to pay for programs
- ↓ Benefits



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Vulnerabilities

Medicare, Medicaid and Private Insurance are largely based on **Trust!!!**

- The belief that medical providers will do what's in the best interest of the patient and provide services which are **MEDICALLY NECESSARY**.



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Opioid Crisis

- 63,600 people in U.S. died of drug overdose in 2016.
- At least 4,149 Ohioans died from unintentional drug overdoses in 2016, a 36 percent leap from the previous year.
- In Ohio, 40 overdose deaths per 100,000 people.
- Ohio ranked 2nd in the nation for overdose deaths in 2016.
- Prescription drug deaths actually decreasing, but deaths related to heroin and fentanyl increasing.
- DEA estimates 80% of heroin addiction starts with prescription drug addiction.



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Opiate Fraud and Abuse Detection Unit

- Department of Justice announced the initiative on August 2, 2017
- Focus specifically on opioid-related health care fraud using data to identify and prosecute individuals contributing to the epidemic.
 1. Columbus
 2. Detroit
 3. Birmingham
 4. Knoxville
 5. Pittsburgh
 6. Spokane
 7. Las Vegas
 8. Lexington
 9. Columbia (MD)
 10. Greensboro
 11. Charleston
 12. Tampa



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Opiate Fraud and Abuse Detection Unit

Data driven:

- Physicians writing prescriptions at a rate far exceeding peers.
- How many patients died within 60 days of receiving an opioid prescription.
- Pharmacies dispensing disproportionately large amounts opioids.
- Regional hotspots for opioid issues.



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Just Like Familiee

- April 2013 developed information showing that Just Like Familiee II and III (JLF), related home health companies, had excessive billings when compared to peers.
- Also received information from the Ohio Medicaid Fraud Control Unit (MFCU) that it had opened a case based on a referral from the Ohio Department of Health (ODH).
- Pull data and conduct interviews.
- May 2013 investigation presented to the U.S. Attorney's Office. Case accepted and an Assistant United States Attorney is assigned (prosecutor).
- Other law enforcement join case:
 - Ohio MFCU
 - Federal Bureau of Investigation
 - Internal Revenue Service/Criminal Investigations Division
 - Veteran's Affairs/Office of Inspector General
 - Ohio Attorney General's Office assigns a Special Assistant United States Attorney



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Just Like Familiee

- JLF owned/operated/administered by: Dolores Knight (mother), Theresa Adams (daughter), and Isaac Knight (son).
- Locations in: Twinsburg, Cleveland Heights and Mentor.
- Investigation begins in earnest:
 - Provider applications
 - State and federal surveys/audits
 - Financial records
 - Obtained data from Medicare, Medicaid and private insurance
 - Surveillance
 - Obtain employee information
 - Conduct interviews (during the case 131 interviews conducted)
- JLF paid approximately \$17 million by Medicaid, Medicare, Passport, and Medicaid HMO's.
- January 9, 2014 federal search warrants conducted at all three JLF offices.
 - Approximately 220 boxes of evidence seized
 - All boxes and evidence reviewed by case agents



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Just Like Familiee

- Preservation letters and subpoenas served on electronic medical record companies.
- January 9, 2014 CMS suspends Medicare payments to JLF. On January 10, 2014 Ohio suspends Medicaid payments to JLF.
- February 20, 2014 Isaac Knight files a provider agreement with CMS and to open Elegance Home Health. Isaac lists himself as administrator. Provider application asks, “has your organization, under any current or former business name or entity, had any final adverse action... imposed against it [a suspension is considered an adverse action]. Isaac checks “no” and signs as administrator.
- Alleged Elegance opened to circumvent suspension of JLF.
- December 15, 2014 federal search warrants executed at Elegance.



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Just Like Familiee

June 17, 2015 Dolores Knight, Theresa Adams, Isaac Knight, Sonja Ferrel (Director of Nursing) and Juliet Bonner (biller) indicted on Conspiracy to Commit Health Care Fraud, False Statements Related to Health Care Matters, and Money Laundering.

Indictment alleged:

- Medically unnecessary (Medicare)
- Double & triple billing (VA/Medicare/Medicaid)
- False statements on applications (VA/Elegance)
- No supporting medical documentation
- Services Not Rendered
 - (1) Missed visits
 - (2) After patients moved
 - (3) While patients hospitalized
 - (4) More hours than on time sheet
 - (5) Billing after date of death



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Just Like Familee

- On January 1, 2016 Juliet Bonner pled guilty to Conspiracy to Commit Health Care Fraud. Agreed to testify at trial of Dolores and Isaac Knight.
- On September 8, 2016 Sonja Ferrel pled guilty to Conspiracy to Commit Health Care Fraud. Agreed to testify at trial of Dolores and Isaac Knight.
- Trial begins January 2017.
- On January 20, 2017, after a two-week trial, Dolores Knight and her son, Isaac Knight, were found guilty of Conspiracy to Commit Health Care Fraud, Health Care Fraud, and Money Laundering. Immediately following the guilty verdict, the jury awarded the government the forfeiture of two homes with a value of approximately \$700,000.



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Just Like Familee

- On May 17, 2017 Just like Familee owners and employees sentenced:
- **Dolores Knight** (71)
 - Ordered to repay \$8.1 million in restitution
 - 10 years in prison
- **Isaac Knight** (30)
 - Ordered to repay \$8.1 million in restitution (joint and several with Dolores Knight)
 - 7 years in prison
- **Sonja Ferrell** (45)
 - Ordered to repay \$1.1 million in restitution
 - 18 months incarceration
- **Juliet Bonner** (62)
 - Ordered to repay \$381,000 in restitution
 - 8 months home confinement
- **Theresa Adams** died from cancer before trial



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Just Like Familiee

Chronology of Investigation:

- April 2013, HHS/OIG investigations begins.
- May 2013, U.S. Attorney's Office opens case. Other Law enforcement agencies join investigation.
- January 2014, federal search warrants executed at 3 JLF offices. Medicare and Ohio Medicaid suspend payments to JLF.
- February 2014, Elegance provider application filed.
- December 2015, federal search warrant conducted at Elegance.
- June 2015, indictment charging JLF owners and employees.
- January 2016, Bonner pleads guilty.
- September 2016, Ferrell pleads guilty.
- January 2017, Jury trial begins for Dolores and Isaac Knight.
- January 20, 2017, Knights found guilty.
- May 2017, JLF owners and employees sentenced.



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Exclusions

Mandatory Exclusions:

- **Program-Related Conviction**
Related to the delivery of an item or service under the Medicare, Medicaid, or State health care programs
- **Patient Neglect/Abuse Conviction**
In connection with the delivery of a health care item or service meeting physical, mental, or emotional needs or well-being of any patient
- **Felony conviction relating to a controlled substance**
Unlawful manufacture, distribution, prescription, or dispensing
- **Health Care Fraud Conviction**



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Exclusion Periods

- **Mandatory Exclusion**
 - 5 years, 1st conviction
 - 10 years, 2nd conviction
 - Permanent, 3rd conviction
- **Permissive**
 - 3 year benchmark
 - Can be increased or decreased based on aggravating or mitigating factors
- **License Revocation**
 - Indefinite
 - Eligible for reinstatement once license reinstated



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Exclusion

- Excluded individuals can:
 - Work in non-federal health care program payment settings
 - Provide care to non-federal health care program beneficiaries
 - Non-patient care employment options such as facilities management or graphic design



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Exclusions Database Search | Exclusions | Fraud | Office of Inspector General | U.S. Department of Health & Human Services - Windows Internet Explorer

http://exclusions.oig.hhs.gov/

REPORT FRAUD

U.S. Department of Health & Human Services

Office of Inspector General
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Report #, Topic, Keyword... Search

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List of Excluded Individuals/Entities Search

Search up to 5 names


Last Name	First Name	"or" Business Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
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Search >>> Clear >>>

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 **False Statements**

- **18 USC 1001**
Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully:
 - 1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
 - 2) makes a materially false, fictitious, or fraudulent statement or representation; or
 - 3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, fraudulent state or entry;
 shall be fined under this title and imprisoned not more than 5 years...

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False Statements

- Martha Stewart sentenced to 5 months in prison, plus five months of home confinement for lying to federal investigators about a stock sale that she called "a small personal matter." Not convicted of securities fraud.
- An attorney linked to a former Trump campaign official admitted Tuesday he lied to federal investigators working for special counsel Robert Mueller. Alex van der Zwaan, appeared at the federal courthouse in Washington where he formally pleaded guilty to a single charge of making false statements. The charge does not involve election meddling or relate to the Trump campaign's operations.



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Health Care Compliance Portal

- On April 16, 2018 HHS/OIG launched the Health Care Compliance Portal.
- Provides links to handy resources for the public that can help ensure that you are in compliance with federal health care laws.



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Health Care Compliance Portal

Office of Inspector General
U.S. Department of Health & Human Services

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Home > Compliance > The Compliance Resource Portal

COMPLIANCE RESOURCES

This page provides links to handy resources for the public that can help ensure that you are in compliance with Federal health care laws.

- Toolkits
- Provider Compliance Resources and Training
- Advisory Opinions
- Voluntary Compliance and Exclusions Resources
- Special Fraud Alerts, Other Guidance, and Safe Harbor Regulations
- Resources for Health Care Boards
- Resources for Physicians
- Accountable Care Organizations

I'm looking for
Let's start by choosing a topic
Select One

Email your suggestions for new OIG compliance resources

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Home > Compliance > The Compliance Resource Portal

COMPLIANCE RESOURCES

This page provides links to handy resources for the public that can help ensure that you are in compliance with Federal health care laws.

- Toolkits**
 - Measuring Compliance Program Effectiveness: A Resource Guide
 - Adverse Events Trigger Tools
 - Toolkit for Health Care Boards
 - Coming soon: OIG Toolkit to Identify Patients at Risk of Opioid Misuse
- Provider Compliance Resources and Training
- Advisory Opinions
- Voluntary Compliance and Exclusions Resources
- Special Fraud Alerts, Other Guidance, and Safe Harbor Regulations
- Resources for Health Care Boards
- Resources for Physicians

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Health Care Compliance Portal


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-  **Special Fraud Alerts, Other Guidance, and Safe Harbor Regulations**
-  **Resources for Health Care Boards**
 - › Compliance Resources for Health Care Boards
 - › Video and Presentation Materials: Guidance for Health Care Boards
 - › Video: Compliance Oversight for Health Care Leaders
-  **Resources for Physicians**
-  **Accountable Care Organizations**





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OIG Hotline

- 58,510 OIG hotline complaints received during FY2017
- Ohio averages 2 to 4 per week
- Helpful hotline information:
 - Specific activity alleged
 - Duration of alleged activity
 - Leave contact information
 - List additional witnesses
 - Not the forum for billing disputes


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Report HCF

If you suspect health care fraud, waste, or abuse,
please report it by calling:

1-800-HHS-TIPS (800-447-8477)



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