

Eli's Hospice Insider

Fraud & Abuse: OIG Cheers Senior Medicare Patrol Hospice Fraud Prevention

HCFAC rakes in \$5 billion.

Hunting health care fraud is big business for the feds, and the latest annual Health Care Fraud and Abuse Control Program Report shows why it will continue.

"During Fiscal Year (FY) 2021, the Federal Government won or negotiated more than \$5 billion in health care fraud judgments and settlements, in addition to other health care administrative impositions," the Departments of Health and Human Services and Justice say in their report summary. "Because of these efforts, as well as those of preceding years, almost \$1.9 billion was returned to the Federal Government or paid to private persons in FY 2021," HHS and the DOJ crow.

Specifically, the DOJ opened 831 new criminal health care fraud investigations in 2021, with federal prosecutors filing criminal charges in 462 cases involving 741 defendants. A total of 312 defendants were convicted of health care fraud-related crimes during the year. The DOJ also opened 805 new civil health care fraud investigations and had 1,432 civil health care fraud matters pending at the end of the fiscal year.

The DOJ isn't the only enforcement show in town. Federal Bureau of Investigation "investigative efforts resulted in over 559 operational disruptions of criminal fraud organizations and the dismantlement of the criminal hierarchy of more than 107 health care fraud criminal enterprises," the report celebrates. And investigations conducted by the HHS Office of Inspector General resulted in 504 criminal actions and 669 civil actions. The OIG also excluded 1,689 individuals and entities from participation in Medicare, Medicaid, and other federal health care programs.



The OIG and DOJ give a shout-out to the Senior Medicare Patrol program, which provided \$17.6 million to 54 grantees to "educate and empower Medicare beneficiaries to prevent, detect, and report Medicare fraud, errors, and abuse" in 2020.

One SMP project reported nearly \$5 million in expected Medicare recoveries after uncovering multiple statewide fraud schemes that involved enrolling beneficiaries in medically unnecessary hospice services, the report says. "These services were often provided against the beneficiaries' wishes, and at times, interfered with their proper medical care and medications," the OIG and DOJ report.

The OIG "focuses on combating Medicare and Medicaid fraud, waste, and abuse, including in priority areas such as ... enhancing program integrity in noninstitutional care settings, such as home health and hospice care," the report says.

Other hospice cases highlighted in the report include:

In Texas: The CEO of a group of hospice and home health entities "was sentenced to 15 years in prison in connection with an over \$150.0 million fraud scheme that was one of the first criminal hospice fraud cases tried to a verdict," the OIG and DOJ say. The defendants enrolled patients who did not have a six-month terminal prognosis; billed for fraudulent services; and manufactured false and fictitious records and produced them to a federal grand jury, the report says. Further, the defendants used the fraud proceeds to buy luxury vehicles including a Porsche; designer clothing; premium season tickets to see the San Antonio Spurs; and "exclusive real estate," the OIG and DOJ relate. The defendants also lied to federal agents and engaged in other coverup activities. The owner was sentenced to 20 years in prison and two other co-conspirators have pled guilty and are awaiting sentencing.

Also in Texas: Allstate Hospice and Verge Home Care and their two founders agreed to jointly pay over \$1.8 million to resolve allegations that they paid kickbacks to referring physicians via sham medical director payments and dividends for agency ownership.

In California: The administrator of a Southern California hospice was convicted of charges that he paid kickbacks to patient recruiters for referrals and overruled clinical staff determinations that patients weren't eligible for the hospice benefit, the report notes. The owner pled guilty to the scheme and was sentenced to 30 months in prison and restitution of over \$2.1 million.

Note: A link to the 129-page report is at <https://oig.hhs.gov/publications/docs/hcfac/FY2021-hcfac.pdf>.