

Feds announce nationwide health care fraud sweeps

June 18 2015, by Ricardo Alonso-Zaldivar



Attorney General Loretta E. Lynch, center, with Health and Human Service (HHS) Secretary Sylvia Burwell, left, and FBI Director James Comey, speaks during a news conference at the Justice Department in Washington, Thursday, June 18, 2015. The government says 243 people have been charged in health care fraud sweeps around the country. That includes doctors, nurses and pharmacy owners accused of bilking Medicare and Medicaid. Combining all the cases, fraudulent billings allegedly totaled some \$712 million. Lynch says the defendants billed for equipment that wasn't provided, care that wasn't needed, and services that weren't rendered. While the individual cases may be unrelated, law enforcement agencies often coordinate the announcement of health fraud charges and arrests to send a message to fraudsters and the general public alike. Health care fraud costs tens of billions of dollars annually. (AP Photo/Pablo

Martinez Monsivais)

Health care fraud sweeps across the country have led to charges against 243 people, including doctors, nurses and pharmacy owners accused of bilking Medicare and Medicaid, the government announced Thursday.

The dragnet spread from Miami to Los Angeles, and Dallas to Brooklyn, N.Y. Arrests were made earlier this week. Combining all the cases, allegedly fraudulent billings totaled some \$712 million.

While the individual cases were unrelated, [law enforcement agencies](#) often coordinate the announcement of health [fraud](#) charges and arrests to send a message to fraudsters and the general public alike. Health care fraud costs tens of billions of dollars annually, another drain on Medicare, whose long-term financial outlook is already shaky.

Attorney General Loretta Lynch said the defendants billed for equipment that wasn't provided, care that wasn't needed, and services that weren't rendered. In Detroit, the owners of a hospice service were charged with paying kickbacks for referrals to a couple of doctors who also allegedly wrote bogus prescriptions, defrauding Medicare's prescription program.

The crackdown focused particularly on prescription fraud. More than 40 of those charged were involved in scams that targeted Medicare's drug benefit, projected to be the fastest-growing part of the program.

"For us, the greatest concern looking forward is the [prescription drug program](#)," said Gary Cantrell, top investigator for the Health and Human Services inspector general's office. He said schemes typically involve billing for drugs that are never dispensed or billing for narcotics and

painkillers that are diverted to street sales.

The scams shut down by federal and state agents read like a manual for [health care fraud](#):

— In New Orleans, four people were charged in a marketing scheme that involved sending blood sugar monitors to Medicare recipients, whether or not they needed them, or had even asked for them. Their companies billed Medicare \$38 million for the devices, and the program paid \$22 million.

— A doctor in Los Angeles was charged with making bogus referrals for unneeded medical equipment, including more than 1,000 power wheelchairs.

— Miami remained the capital of [health care](#) fraud, accounting for 73 of the defendants. In one case, administrators of a mental health center allegedly paid kickbacks to middlemen who recruited patients for a fraudulent billing operation. The center billed Medicare \$64 million over six years, and the program paid about half that.

Part of Medicare's vulnerability to fraud is that the program is legally required to pay claims promptly. That sets up a frustrating cycle that investigators call "pay and chase." But Medicare has become a harder target over the last decade, with more extensive monitoring of claims before they are paid, and stiffer penalties for scam artists.

Participating in the crackdown were U.S. attorneys' offices around the country, the FBI, the HHS inspector general's office, and state Medicaid fraud units.

.

© 2015 The Associated Press. All rights reserved.

Citation: Feds announce nationwide health care fraud sweeps (2015, June 18) retrieved 4 February 2024 from <https://medicalxpress.com/news/2015-06-feds-nationwide-health-fraud.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.