

Healthcare fraud news briefing

(1) July to September 2009

1. 1.7.09 – JAPANESE HOSPITAL BOSS PROBED OVER MEDICAL EXPENSES FRAUD

The Daily Yomiuri reported that police questioned the director of Yuzankai Medical Corporation which operates a hospital in the Nara prefecture in connection with alleged healthcare fraud. Yamamoto Hospital allegedly padded medical expenses by falsely claiming to have performed cardiac catheterizations on welfare recipients, although the surgeries were never performed.

2. 1.7.09 – U.S. MOVES TO STAUNCH MASSIVE MEDICARE FRAUD

The Reuters reported that since 2006, U.S. taxpayers have paid nearly \$155,000 to send home health nurses to inject twice-daily insulin shots for an elderly, diabetic Miami man. But in fact the man was not diabetic or homebound and the nurses never existed according to a federal indictment the owners of two Miami companies have now been charged with running a \$22 million fraud scheme at the expense of Medicare.

3. 17.7.09 - \$47 MILLION MEDICAID FRAUD

The New York Post reported that six people were arrested for allegedly running a 10-year scheme in Brooklyn that filed bogus health claims and ripped off Medicaid by more than \$47 million, authorities announced yesterday. They allegedly set up a string of clinics and ambulette stations, using unlicensed doctors to treat the sick and elderly – and pocketing the cash.

4. 21.7.09 – BANK ACCOUNTS OF HEALTHSOUTH EX-CEO SEIZED

Dow Jones Newswires reported that accounts of more than a dozen banks holding funds of former HealthSouth Corp CEO, Richard Scrushy had been seized in the hope of collecting some of the \$2.8 billion he was ordered to pay after a fraud conviction in May. Any funds collected are to go to the healthcare concern, with a 25% payout to shareholders.

5. 21.7.09 – SENTENCES HANDED DOWN IN ALLERGY FRAUD CASE

The Chicago Post Tribune reported that a federal judge sentenced a Merrillville doctor to probation in connection with a Chicago allergy clinic that defrauded health insurance companies out of millions. The owners of the company set up booths at public events, including county fairs, where they offered free allergy testing. They then sent the insurance companies inflated bills for treatment.

6. 30.7.09 – MEDICARE ARRESTS TOTAL 30

The Grand Rapids Press reported that federal authorities had arrested more than 30 suspects, including doctors, and were seeking others in a major Medicare fraud case in New York, Louisiana, Boston and Houston. More than 200 agents worked on the \$16 million case.

7. 11.8.09 – MEDICARE HIV FRAUD DEFENDANTS SENTENCED

The US Fed News reported that two Miami doctors were convicted of Medicare and Medicaid fraud. They were convicted for their involvement in a scheme Diagnostic Medical Choice, a clinic that billed the Medicaid and Medicare programs for expensive infusion medications intended to treat a rare illness suffered by a small proportion of those inflicted with HIV/Aids. The medications were rarely if ever provided to patients.

8. 21.8.09 - HOSPITAL EMPLOYEE ADMITS STEALING PATIENT INFORMATION

The U.S. Department of Justice stated that a Baltimore woman had pleaded guilty to stealing patient information to fraudulently obtain credit used to purchase merchandise and obtain cash. Michelle Johnson, 31, used her employment as a patient services coordinator to obtain unauthorised access to names, social security numbers and other personal data on at least 207 then current and former patients. She made 373 applications for credit, 125 fraudulent accounts were opened and used to make purchases in the names of 89 individual victims and she obtained at least \$174,000 in retail goods and cash advances.

9. 26.8.09 – PHYSICAL THERAPIST PLEADS GUILTY TO FRAUD

M2 Presswire reported that a Detroit area therapist had pleaded guilty to conspiring to defraud the Medicare program of approximately \$18.3 million. He and others created fictitious therapy files when in fact no such services had been provided. He will be sentenced shortly.

10. 9.9.09 – SURGEON INVOLVED IN HEALTH INSURANCE FRAUD

The China Post reported that a surgeon involved in a health insurance fraud case was fined NT\$100,000 while another surgeon faced indictment. He had fabricated the visits of 36 patients in the medical records to claim health insurance expenses.

11. 10.9.09 - \$4 MILLION MEDICAID FRAUD

Associated Press Newswires reported that a federal jury had found three people guilty of conspiracy and multiple counts of healthcare fraud. The agency providing the Medicaid was paid almost \$4 million as a result of fraudulent claims. The three each face more than 100 years in prison and fines of several millions of dollars.

12. 14.9.09 – 10 DENTISTS PROBED

The Irish Independent reported that ten dentists who were paid state fees to treat patients are being investigated amid claims that they demanded inflated 'top-up' charges. Under the PRSI scheme, the Irish Department of Social and Family Affairs pays dentists fees. Since January, inspectors have examined 77 cases arising out of customer complaints and internal fraud spot checks.

13. 15.9.09 – INSURER TO PURSUE FRAUDULENT CASES

Plus News Pakistan reported that the United Arab Emirates (UAE) National Health Insurance Company has confirmed that it has discovered fraudulent claims filed by health practices and is planning further action. These claims involve dental clinics in the UAE who were involved in overcharging, using false patient information and service charges and claiming for non-existent patients.