

Healthcare fraud news briefing

(2) October 2009

1. 1.10.09 – U.S. HOSPITALS PAY \$8 MILLION TO SETTLE MEDICARE FRAUD ALLEGATIONS

Inside CMS reported that The Department of Justice announced that six hospitals in Indiana and Alabama have agreed to settle Medicare fraud charges and pay more than \$8 million. The ‘allegations’ included that the hospitals overcharged Medicare patients for kyphoplasty procedures that are normally outpatient procedures by doing them as inpatient procedures ‘in order to increase their Medicare billings’.

2. 1.10.09 – U.S. FIRMS SUED FOR HEALTH INSURANCE FRAUD

St. Paul Pioneer Press reported that the Minnesota attorney general is suing two out-of-state companies for selling bogus health and long term care insurance to vulnerable people in urgent need of coverage. The Consumer Health Benefits Association is accused of pressuring Minnesotans over the phone into buying a low-cost health plan that in reality isn’t insurance, offers few benefits and lists a network of doctors who have never heard of the company. Home Health America is accused of taking \$3,000 to \$4,000 from seniors on the false promise of providing them reliable long-term care benefits.

3. 7.10.09 – EHFCN CONFERENCE CALLS FOR STRONGER COOPERATION

A Marketwire news release reported that around 100 delegates from 16 countries representing ministries of health, sickness funds, healthcare providers and other parties had committed at the conference of the European Healthcare Fraud and Corruption Network (EHFCN) to strengthen their cooperation against healthcare fraud and corruption. The conference centred on the theme of crossborder healthcare in Europe. Paul Vincke, President of the EHFCN, said ‘EHFCN supports patients and healthcare providers mobility but we also warn decision makers of the risks of increased fraud and corruption’.

4. 8.10.09 – PRAISE FOR SCOTLAND’S FIGHT AGAINST HEALTH FRAUDSTERS

Edinburgh Evening News reported that the approach in Scotland to tackling healthcare fraud has been praised by the European Healthcare Fraud and Corruption Network (EHFCN) at its conference in Edinburgh. The EHFCN President, Paul Vincke, said, ‘Our Scottish members have always proven very active and motivated in their fight against healthcare fraud’.

5. 10.10.09 – U.S. CHIROPRACTOR PLEADS GUILTY

The Shreveport Times reported that a Shreveport chiropractor had pleaded guilty to two counts of healthcare fraud. Dr John Allen Thompson, 43, faces a maximum sentence of 10 years in prison on each count. Thompson billed Blue Cross Blue Shield for whirlpool treatments in a Hubbard Tank, but no such tank exists or ever has at any clinic owned or operated by Thompson.

6. 15.10.09 – LAPTOP THEFT NETS DATA ON 800,000 U.S. DOCTORS

CMP Techweb reported that the theft of a laptop belonging to an employee of Blue Cross and Blue Shield Association has put hundreds of thousands of U.S. physicians at risk of identity theft. It contained a database listing the business and personal information of about 800,000 doctors. Blue Cross Blue Shield will offer credit monitoring services to affected physicians and urged doctors to keep an eye out for fraud arising from the breach.

7. 26.10.09 – U.S. HEALTHCARE SYSTEM WASTES UP TO \$800 BILLION A YEAR

Reuters reported that the U.S. healthcare system wastes between \$505 billion and \$850 billion every year, according to a report. The author of the report, Robert Kelley, said, 'The bad news is that an estimated \$700 billion is wasted annually. That's one third of the nation's healthcare bill'. Fraud makes up 22 percent of healthcare wastes, or up to \$200 billion a year in fraudulent Medicare claims, kickbacks for referrals for unnecessary services and other scams.

8. 27.10.09 – DENTISTS REJECT 'FRAUDULENT CLAIMS'

The Irish Times reported that the Irish Dental Association have strongly rejected reports that in excess of 10 percent of the 85 million Euro budget spent on a dental scheme may be paid to dentists making fraudulent and inappropriate claims. The report, a 2009 Report on Probity Assurance, was written by Dr Paul Batchelor, a British based oral care consultant.

9. 28.10.09 – LAWMAKERS TARGET MEDICARE AND MEDICAID FRAUD

The Wall Street Journal reported that the U.S. federal government is stepping up its efforts to fight Medicare and Medicaid fraud to generate more savings to help pay for a health-care overhaul. The scale of healthcare fraud in America today is staggering,' Senate Judiciary Committee Chairman Patrick Leahy said at a hearing. The U.S is estimated to lose at least \$60 billion to healthcare fraud every year, and some estimates put the cost as high as 10% of the U.S.'s total healthcare spending, which exceeds \$2 trillion.

10. 30.10.09 – U.S. HEALTHCARE FRAUD MONEY LAUNDERER SENTENCED

The States News Service reported that Ihosvanny Anaya Martinez, 42, of Miami, was sentenced to 49 months imprisonment following his conviction for money laundering offences relating to healthcare fraud. Martinez used two nominal companies and four accounts at four different banks to launder more than \$1.2 million in proceeds from a healthcare fraud scheme.