

Health Headlines

March 5, 2012

Latest Medicare Criminal Fraud Case Alleges \$375 Million in Unnecessary or Unrendered Home Health Services

On February 23, 2012, a Dallas-area physician and his office manager, as well as the owners of three home health agencies, were indicted on health care fraud and conspiracy charges stemming from \$375 million in allegedly fraudulent Medicare and Medicaid claims relating to home health services. According to the indictment, between 2006 and 2011, the parties engaged in various schemes whereby the home health agents would recruit patients to be certified as in need of home health services by Dr. Jacques Roy (the physician). Dr. Roy would falsely certify the patients, generally without ever seeing the patients, and the home health agencies would then bill the Medicare program for the unnecessary home health services provided to those patients (as well as for services not provided at all). Dr. Roy's name was also allegedly signed to the home health certifications by his employees. In one situation, Dr. Roy allegedly paid the home health agency's operating expenses in return for 50% of the home health agency's Medicare-related profits. In another, the owner of a home health agency is alleged to have recruited "homebound" patients for home health services from local homeless shelters. The indictment charges the various parties with violations of 18 U.S.C. § 1349 (Conspiracy to Commit Health Care Fraud), 18 U.S.C. § 1347 (Health Care Fraud), or both.

According to an article in the *New York Times*, the scheme was discovered by CMS using new computer analysis techniques that attempt to recognize suspicious billing patterns. Katie Thomas, "Seven Charged in Health Care Fraud," *New York Times*, Feb. 29, 2012. Between 2006 and 2011, Dr. Roy's company, Medistat, certified more Medicare beneficiaries for home health services and had more patients than any other medical practice in the country. Dr. Roy and another Medistat physician certified more than 11,000 unique Medicare beneficiaries for home health services during that period. The same two physicians were responsible for certifying roughly 80 percent of the patients certified as being in need of home health services at each of the home health agencies involved in the indictment.

Reporter, *Krista Barnes*, Houston, +1 713 751 3273, kbarnes@kslaw.com.

Health Headlines – Editor:

Dennis M. Barry
dbarry@kslaw.com
+1 202 626 2959

The content of this publication and any attachments are not intended to be and should not be relied upon as legal advice.