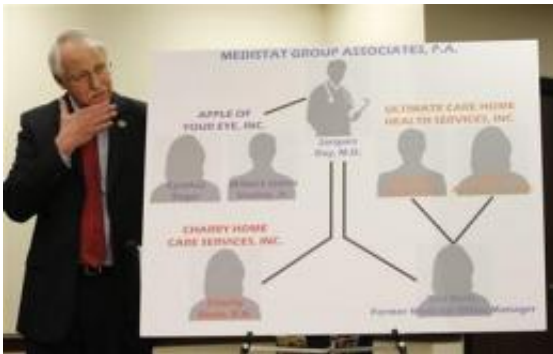


# Official: Doctor had recruiters in Medicare scheme

February 29 2012, By NOMAAN MERCHANT , Associated Press

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W. Rick Copeland, Director of Medical Fraud Control Unit of the Office of the Texas Attorney General, stands next to a chart outlining a healthcare fraud scheme during a news conference Tuesday, Feb. 28, 2012, in Dallas. Officials announced federal charges in what they called the largest case of medical fraud in U.S. history involving \$375 million. (AP Photo/LM Otero)

(AP) -- Years after Jacques Roy started filing paperwork that would have made his practice the busiest Medicare provider in the U.S., authorities say they've found most of his work was a lie.

They accused Roy on Tuesday of "selling his signature" to collect [Medicare](#) and Medicaid payments for work that was never done or wasn't necessary. Others charged in the scheme are accused of fraudulently signing up patients or offering them cash, free groceries or food stamps to give their names and a number used to bill Medicare.

Authorities say Roy's practice certified 11,000 [Medicare beneficiaries](#) through more than 500 [home health](#) providers over five years. More than 75 of those agencies have had their [Medicare payments](#) suspended.

Roy, 41, a doctor who owned Medistat Group Associates in DeSoto, Texas, faces up to 100 years in prison if he's convicted of several counts of [health care fraud](#) and conspiracy to commit [health care](#) fraud. Six others, including the owners of three home health service agencies, are also charged.

Roy's attorney, Patrick McLain, said he had yet to review much of the evidence but Roy maintained his innocence.

A host of top officials from the Justice and Health and Human Services departments announced the investigation Tuesday in Dallas. They argued that the announcement was proof that changes in how [Medicare data](#) is analyzed had worked. The scheme was the largest dollar amount by a single doctor uncovered by a task force on [Medicare fraud](#), authorities said.

The officials said years of alleged "off the charts" billing by Roy went unnoticed because they did not have the tools to catch it. Health and Human Services has since beefed up its data analysis and can track other cases, HHS Inspector General Dan Levinson said.

"We're now able to use those data [analytic tools](#) in ways - in 2012 and 2011 - that no, we really could not have done in years past," Levinson said.

The department also is working on a system of "predictive modeling" to flag suspicious billings for investigation before they are paid, HHS Deputy Secretary Bill Corr said.

But others still have questions about how a fraud so big could have gone unnoticed for so long.

Patrick Burns, spokesman for the advocacy group Taxpayers Against Fraud, credited HHS for hiring Peter Budetti, CMS' deputy administrator for program integrity, to upgrade its systems. But Burns said the department still had no excuse for missing obvious problems.

"You can't have 11,000 bills from a single doctor if you're the number one home health provider in the nation," Burns said. "You can't see that many patients. It's not physically possible."

HHS investigators noticed irregularities with Roy's practice about one year ago, officials said.

Roy had "recruiters" finding people to bill for home health services, said U.S. Attorney Sarah Saldana, the top federal prosecutor in Dallas. Some of those alleged patients, when approached by investigators, were found working on their cars and clearly not in need of home health care, she said.

Medicare patients qualify for home health care if they are confined to their homes and need care there, according to the indictment.

Saldana said Roy used the home health agencies as "his soldiers on the ground to go door to door to recruit Medicare beneficiaries."

"He was selling his signature," she said.

For example, authorities allege Charity Eleda, one of the home health agency owners charged in the scheme, visited a Dallas homeless shelter to recruit homeless beneficiaries staying at the facility, paying recruiters \$50 for each person they found. When the shelter's security guards

allegedly kicked Eleda out several times, she began to see patients listed as homebound at a church several blocks away, the indictment alleges.

A message was left Tuesday at Eleda's Dallas-based company, Charry Home Care Services Inc.

Others indicted are accused of offering free health care and services like [food stamps](#) to anyone who signed up and offered their Medicare number.

Roy would "make home visits to that beneficiary, provide unnecessary medical services and order unnecessary durable medical equipment for that beneficiary," the indictment alleged. "Medistat would then bill Medicare for those visits and services."

The indictment says Roy's business manager - identified only by his initials - recorded conversations between the two in January 2006.

Roy has previously had his medical license suspended by state authorities. In 2001, he received a 30-day suspension and five years of probation for allegedly having an affair with a patient to whom he was prescribing the painkiller hydrocodone. The patient died in a 1999 car wreck and was found to have high levels of hydrocodone in her blood, according to an order from the Texas State Board of Medical Examiners.

The board of medical examiners took Roy off probation in 2005, about a year early, according to another order. The Dallas Morning News first reported Roy's suspension.

Health care fraud is estimated to cost the government at least \$60 billion a year, mainly in losses to Medicare and Medicaid. Officials say the fraud involves everything from sophisticated marketing schemes by major pharmaceuticals encouraging doctors to prescribe drugs for

unauthorized uses to selling motorized wheelchairs to people who don't need them.

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Citation: Official: Doctor had recruiters in Medicare scheme (2012, February 29) retrieved 20 March 2024 from <https://medicalxpress.com/news/2012-02-doctor-medicare-scheme.html>

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