

MFCU

MEDICAID FRAUD CONTROL UNIT

OFFICE OF THE ATTORNEY GENERAL

Health Care Fraud and
Elder Abuse Section



MEDICAID FRAUD CONTROL UNIT
VIRGINIA OFFICE OF THE ATTORNEY GENERAL

History of the Unit



- **Created 30 years ago.**
- **Investigate Medicaid providers only.**
- **1999 – MFCU began investigating patient abuse and neglect in healthcare facilities.**

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- **Independent subpoena authority.**
 - **Healthcare fraud**
 - **RICO**
 - **False claims**
 - **Mail fraud**
 - **Money laundering**
 - **Abuse and neglect of incapacitated adults**
 - **Aggravated identity theft.**

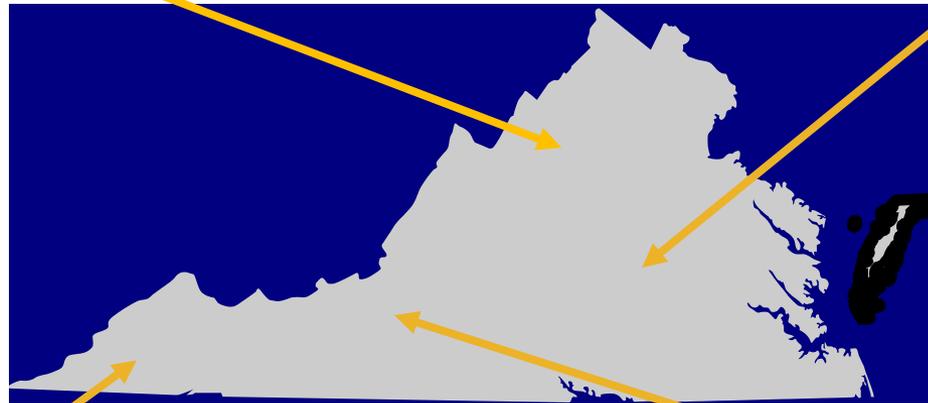
Funding

- **75% federally funded**
- **25% state funded (Purdue penalty funds)**

MFCU STAFFING

NORTHERN VIRGINIA

RICHMOND



SOUTHWEST VIRGINIA

ROANOKE

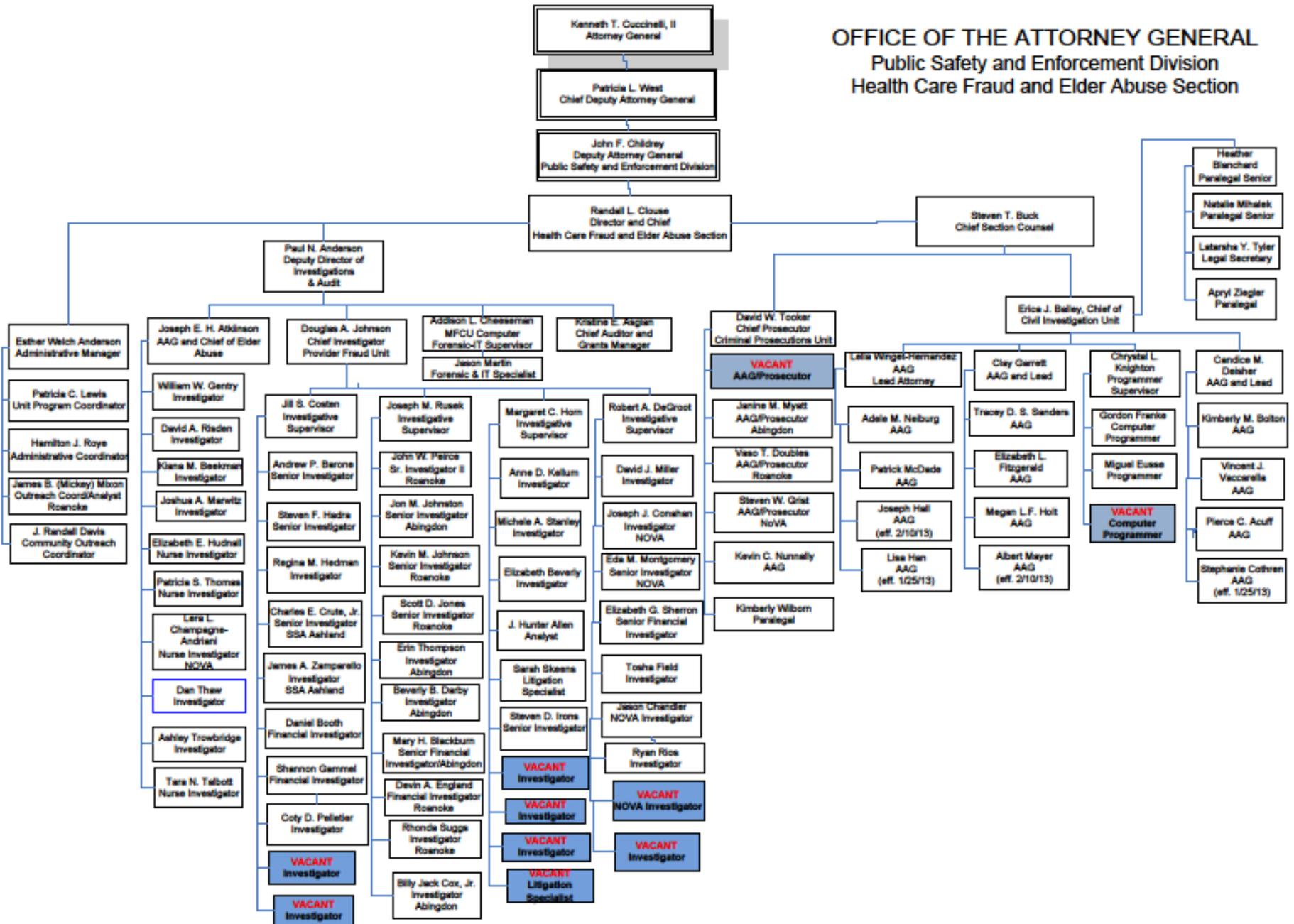
MFCU Growth

- Fiscal Year 2011 – 25 additional positions
- Fiscal year 2012 – 5 additional positions
- Fiscal Year 2013 – 10 additional positions

OFFICE OF THE ATTORNEY GENERAL

Public Safety and Enforcement Division

Health Care Fraud and Elder Abuse Section



What cases do we investigate?

- **Billing for services not performed**
- **Embezzlement**
- ***Qui tam* cases (whistleblowers)**
- **Kickbacks**
- **Inflating bills for services provided**
- **Double-billing**
- **Elder Abuse**

Patient Abuse and Neglect Squad

Created a separate Patient Abuse and Neglect Squad in 2008.

The squad investigates neglect and physical abuse of the elderly Healthcare facilities.



Commonwealth v. James W. Wright

- Convicted of aggravated sexual battery against four elderly residents at a Bristol nursing home
- Victims diagnosed with dementia or Alzheimers
- Wright sentenced to 60-year prison term
- Ordered to pay \$10,000 for each of the four counts
- Placed on probation upon release
- Required to register as a sex offender

Unit Performance

Five Year Break Out

- **1982 – to June 30, 2007, MFCU recovered over \$186 million from criminal and civil cases through court-ordered fines, penalties and restitution.**
- **July 1, 2007 to the present, MFCU has recovered over \$1.6 billion from civil and criminal cases through court-ordered fines, penalties and restitution.**



Total Court-Ordered Criminal and Civil Recoveries

Fiscal Year	Arrests/Convictions	Total Awarded
July '07 – June '08	14	\$ 541,099,617.00
July '08 - June '09	14	\$ 27,607,670.00
July '09 – June '10	13	\$ 25,390,467.21
July '10 – June '11	11	\$ 14,573,789.01
July '11 – June '12	21	\$ 40,260,842.92
July '12 – December '12	9	\$ 1,003,518,312.76
Total from July '07 – December '12		\$ 1,652,450,698.90

Cash Recoveries to General Fund

Fiscal Year	Cash Recovered
July '07 – June '08	\$14,399,122.63
July '08 – June '09	\$11,604,967.90
July '09 – June '10	\$ 9,262,235.46
July '10 – June '11	\$ 9,702,039.68
July '11 – June '12	\$ 6,951,808.87
July '12 to December '12	\$ 16,309,992.94
Total	\$ 68,230,167.48
	(Including 84 criminal convictions and 70 civil settlements)

This fiscal year.....

**Largest Medicaid Fraud Case Investigated
by State in U.S. History:**

\$1.5 Billion Case

What it took.....

- 4+ years working on this case
- 38,000+ man hours
- Nearly two million records reviewed
- Interviews in 26 states

Result....

- Abbott had illegally marketed the drug Depakote for elderly in nursing homes to control behavioral disturbances in dementia patients
- Abbott paid rebates to health care professionals and long-term care pharmacies.

Abbott Pharmaceuticals pled guilty and agreed to pay **\$1.5 billion** to the federal government and the states.

#1 Unit in the United States

2008 – MFCU awarded the Medicaid Fraud Control Unit of the Year from the United States Department of Health and Human Services Office of the Inspector General.

Highest recovery of any state in the history of the program.



MFCU Outreach Tools

TRIAD



Public Education

- **Two Employees**
- **Outreach Coordinators have provided information at over 150 community events last year.**

MFCU Outreach Tools

- Hot Line: MFCU_mail@oag.state.va.us
or 1-800-371-0824
- Quarterly MFCU Newsletter
- Virginia MFCU Facebook Page - www.facebook.com/VAMFCU
- Virginia MFCU Twitter Page - www.twitter.com/VaMFCU

Medicaid Fraud Control Unit

Virginia Attorney General's Office

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VIRGINIA OFFICE OF THE ATTORNEY GENERAL