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## Home Health is Among the Most Vulnerable Programs for Fraud

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### Overview

Home health programs assist the elderly, people with disabilities, and individuals with chronic or temporary health conditions in various ways so they can remain in their homes and communities while still receiving proper care. However, there is a rising concern about these programs' vulnerability to fraud. This concern stems from the fact that home personal care is one of the fastest growing job categories in the country. As the need for home health care programs grows, so do the numerous problems in personal care services that result in improper payments, abuse and fraud, including lack of training standards, uneven oversight of services provided, and failure to implement prepayment controls to prevent improper or fraudulent payments.

### Home Health Fraud Case Studies

Over the years, the Department of Justice and Department of Health and Human Services Office of Inspector General (OIG) have continued identifying, investigating and prosecuting home health fraud cases. Most of these cases have involved kickbacks and falsification of documents submitted to Medicare for payment.

One example of a home health fraud case occurred in Detroit, Michigan where Muhammad Shahab was sentenced to 50 months in prison, three years of supervised release and ordered to pay more than \$10.8 million in restitution along with his co-defendants for a fraud scheme totaling almost \$11 million. Shahab admitted that he and his co-conspirators recruited and paid cash kickbacks and other inducements to Medicare beneficiaries in exchange for the beneficiaries' Medicare numbers and signatures on documents falsely indicating that they had visited two home care facilities to receive physical or occupational therapy. A large number of the beneficiaries involved were neither homebound nor in need of any physical therapy services. Shahab also admitted to securing physician referrals for medically unnecessary home health services through the payment of kickbacks to physicians or individuals associated with physicians. He further employed several physical therapists and physical therapy assistants to sign medical documentation needed to begin billing for home health care services, including initial payments and payments for each visit to a Medicare beneficiary that were not medically necessary or performed.

Another relevant case occurred in Miami, Florida with individuals who were involved in a home health agency front and pleaded guilty to fraud that involved \$48 million. Additionally, a case in Los Angeles, California involved a man who was sentenced to prison for receiving more than \$1 million in kickbacks by recruiting homeless people on Skid Row as part of a Medicare scheme.

All of these cases have similar methods of operation that include:

1. A home health agency front
2. Kickbacks to recruiters for referrals of beneficiaries
3. Kickbacks to physicians, physical therapists, or other care givers for their part in fraudulent activities
4. Falsification of information used for submitting claims
5. Billing Medicare for services not performed or medically unnecessary

## **In Review**

Any sector of the health care industry can be subject to fraud, but the increasing need for home health care has skyrocketed fraud, abuse, and other unethical cases related to home health services. Most of these cases involve similar elements such as kickbacks, falsification of documents submitted to federal health care programs for payment and billing for unnecessary services. Given the growing severity of these instances of fraud, enforcement agencies have continued to investigate ongoing cases in order to improve strategies for preventing and mitigating future occurrences.

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## **About the Author**

Richard P. Kusserow is currently the President and CEO of Compliance Resource Center. He served as the Inspector General of HHS for 11 years and brings decades of valuable experience from the government sector to Compliance Resource Center. Mr. Kusserow's expertise on compliance policy and regulation as well as his extensive knowledge of compliance solutions enables Compliance Resource Center to effectively help health care organizations best manage their compliance programs.

## **About Compliance Resource Center**

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