



**STATE OF COLORADO  
DEPARTMENT OF LAW**

**ATTORNEY GENERAL'S REPORT TO THE LEGISLATURE  
REGARDING THE COLORADO MEDICAID FALSE CLAIMS ACT  
(C.R.S. 25.5-4-310)**

The Attorney General is required by C.R.S. § 25.5-4-310 to submit an annual report to the Joint Budget Committee and to the Health and Human Services Committees of the House and Senate concerning claims under the Colorado Medicaid False Claims Act. In accordance with that requirement, the Attorney General tenders this report for the State Fiscal Year that began on the 1<sup>st</sup> of July 2021 and ended on the 30<sup>th</sup> of June 2022 (“SFY 2022”).

First established in 1978, the Colorado Medicaid Fraud Control Unit (“COMFCU” or “the Unit”) has been housed within the Attorney General’s Office since 1979. COMFCU is vested with statewide jurisdiction to investigate and prosecute waste, fraud, and financial abuse committed by Colorado Medicaid providers and to investigate and prosecute the abuse, neglect, and exploitation of patients.

While there are exceptions, fraud in the Medicaid program generally falls into one of three categories: billing for services that are not provided, overbilling for services that are provided, and billing for providing services for which there is no medical necessity. The types of practitioners that commit such fraud and the schemes that they devise differ significantly. Some examples of matters investigated and prosecuted by the COMFCU include a mental health provider that submitted billing

for an impossible number of hours and patients, a personal care provider that took part in a scheme to bill for care of friends during times when the provider was in prison, and a provider who billed for full weeks of care when only a few days were worked.

In some instances, fraudulent actions taken by Medicaid providers do not fit within the Colorado criminal statutes and absent another remedy, Colorado would not be able to recover dollars unlawfully taken from the Medicaid program. The Colorado False Claims Act, C.R.S. § 25.5-4-303.5 et seq., is a powerful tool that allows the COMFCU to pursue fraud and overpayments in the civil arena.

Using the Colorado False Claims Act, the COMFCU continued its active work in interstate federal court cases. The Unit opened **42** new civil cases and settled **9** civil cases which involved Colorado Medicaid providers. The Colorado Attorney General's Office filed **2** civil actions under the False Claims Act during the reporting period.

Colorado is currently seeking recovery under **27** new federal court cases that were served on the state by *qui tam* relators, in which the state was named as a plaintiff. In addition, Colorado participated in the settlement of **5** *qui tam* cases in federal courts in other states. These cases likely would not have been pursued in the absence of the False Claims Act. These settlements produced the appropriate result without the need for initiating civil litigation.

In the reporting period, COMFCU recovered **\$1.65 million** in actions filed under the Colorado False Claims Act, which included **\$928,923** in multi-state civil matters and **\$333,392** in local civil matters. The Unit has been able to collect the amount of **\$964,574** from providers. No litigation costs were recovered, but it should be noted that **\$592,787** of the **\$1.65 million** in recoveries consisted entirely of penalties that were assessed against providers. The State of Colorado did not incur

extraordinary expenses for investigation or litigation. The time spent by salaried investigators and attorneys to investigate civil cases would be difficult to determine because cases often begin as criminal investigations before being reclassified as a civil inquiry, while others may be shared between criminal and civil groups.

### Investigations SFY 2022

Type of Investigation	# of Closed Investigations	# of New Investigations
Fraud	80	59
Drug Diversion	0	0
Abuse, Neglect, Financial Exploitation	57	27
<b>TOTAL</b>	<b>137</b>	<b>86</b>

### Criminal Actions

Complaints Filed	Criminal Convictions	Restitution Ordered	Restitution Collected <sup>1</sup>
8	15	\$383,969.17	\$266,278.17

### Civil Actions

Complaints Filed	Judgments & Settlements	Multi-State Settlements
2	9	5

Civil Recoveries	Damages, Penalties, and Litigation Costs	Recoveries Collected <sup>2</sup>
\$1,265,801.50	\$592,787.46	\$964,574.33

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<sup>1</sup> It should be noted that in criminal matters, the Court generally establishes repayment guidelines for the defendant after their conviction. As a result, all COMFCU collection activities over and above those guidelines are held in abeyance until such time as the defendant has completed repayment or there has been a violation of the guidelines.

<sup>2</sup> It should be noted that in some civil matters, providers might pay the State Medicaid program directly and the COMFCU collection activities do not reflect the total amounts recorded.

## Summary

Though there were COVID-19 related hurdles and significant staffing issues for SFY 22, the Unit recovered over \$1.65 million in fraudulent Medicaid billing for the State of Colorado while operating on a state budget of \$614,665.68.

Additionally, it should be noted that if Medicaid providers responsible for improper billings had not been identified, then the fraudulent activity would have continued and the losses to the Medicaid program would have been far higher than the amounts that were recovered. The Legislature's appropriation has been used effectively as measured by the monetary value returned to the State and a reduction in fraud within the Medicaid program. The COMFCU and the Attorney General's Office continue to diligently pursue providers who commit fraud and financial abuse against the State's Medicaid program.

FOR THE ATTORNEY GENERAL,

A handwritten signature in blue ink, appearing to be 'G.A. Coddling'.

George A. Coddling  
Acting First Assistant Attorney General and  
Interim Director of Medicaid Fraud Control  
Unit