

# 2017 - 2018 ANNUAL REPORT

State of Colorado  
Office of the Attorney General  
Medicaid Fraud Control Unit



CELEBRATING 40 YEARS SERVING COLORADO



*“Diligence in the investigation and prosecution of Medicaid fraud and abuse in the State of Colorado.”*

**MEDICAID FRAUD CONTROL UNIT**

OFFICE OF THE ATTORNEY GENERAL

1300 BROADWAY, 9<sup>TH</sup> FLOOR

DENVER, CO 80203

*Dedicated to the men and women of the Colorado Medicaid Fraud Control Unit for their committed efforts against Medicaid fraud and patient abuse over the last 40 years.*

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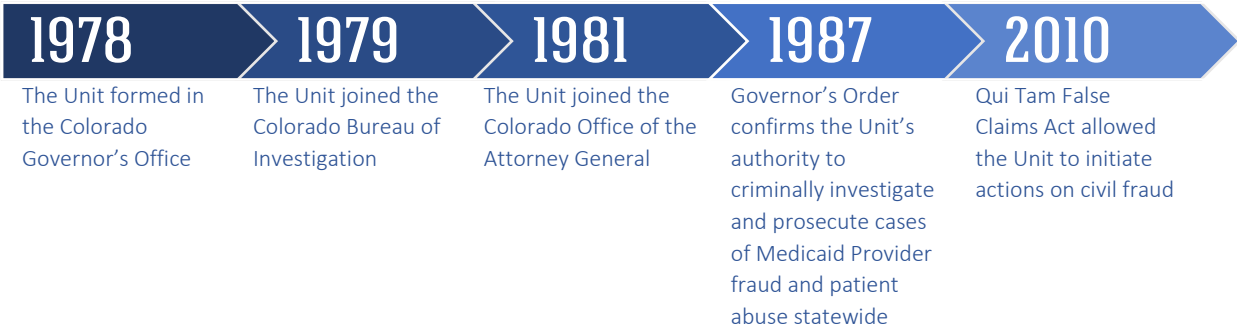
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Medicaid Fraud Control Unit  
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# MEDICAID FRAUD CONTROL UNIT ESTABLISHMENT



Medicaid was created in 1965 to provide healthcare to those without the means to do so based upon their income, assets, or status such as significant medical, physical, or mental disability. The State of Colorado spends approximately \$8.2 billion per year on Medicaid, an amount that comprises almost 25 percent of the State's annual budget and permits coverage for approximately one out of every five residents of Colorado.

Since its inception in 1978, the Colorado Medicaid Fraud Control Unit ("MFCU" or "the Unit") has operated in accordance with Pub. L. 95-142. The goal of that act was to strengthen the capability of the government to detect, prosecute, and punish fraudulent activities under the Medicare and Medicaid programs. To accomplish this goal, federal funding was authorized for state MFCUs to support the investigation and prosecution of fraud in state Medicaid programs administered under Title XIX of the Social Security Act of 1965.

The Colorado Medicaid Fraud Control Unit was initially organized within the Governor's office, but in 1979 was transferred to the Colorado Bureau of Investigation (CBI). In 1981, funding changes terminated CBI's authority to investigate Medicaid fraud matters, and on the 1st of July of that same year, the MFCU moved to the Colorado Office of the Attorney General. Pursuant to Executive Order 1787 signed by Governor Roy Romer in March of 1987 and 42 C.F.R. § 1007.1(a), the MFCU continues to be a part of the Colorado Office of the Attorney General and has authority to prosecute individuals for violations of criminal laws with respect to fraud in the provision or administration of medical assistance under the Colorado Medicaid program.

Pursuant to the same authorizations, the MFCU investigates and prosecutes those who abuse, neglect, or financially exploit patients in any facility that accepts Medicaid funds. The Unit also investigates physical and financial exploitation in board and care facilities regardless of funding. However, the Medicaid Fraud Control Unit does not investigate fraud committed by recipients, abuse and neglect of patients who are not in long-term care or board and care facilities, or any fraud committed exclusively against another health care system, such as Medicare or private insurance.

## UNIT'S MISSION

The Medicaid Fraud Control Unit maintains a strong commitment to ensuring that Coloradans have access to the highest quality care from dedicated providers while continuing to take an aggressive approach to reducing Medicaid fraud and patient abuse across the state. The dual missions of the Medicaid Fraud Control Unit are:

1. **To protect the state and federal funds dedicated to providing health care and medical services to Colorado Medicaid beneficiaries.**
2. **To hold individuals accountable for the abuse, neglect, or financial exploitation of clients in board and care facilities as well as any facilities that accept Medicaid dollars.**



ATTORNEY GENERAL  
CYNTHIA H. COFFMAN

## UNIT'S AUTHORITY

In conformance with 42 USC § 1396a (a)(61), Colorado formed its own Medicaid Fraud Control Unit in 1978. In 1987, then Governor Roy Romer issued Executive Order 1787, acting under the authority of C.R.S. § 24-31-101(a), which provides that the Colorado Attorney General “shall appear for the state and prosecute and defend all actions and proceedings, civil and criminal, in which the state is a party or is interested when required to do so by the governor.” This executive order approved the continuation of the Medicaid Fraud Control Unit within the Office of the Attorney General and “require[s] the Attorney General to investigate and prosecute Medicaid fraud and patient abuse cases” as either the Attorney General, or when so designated, as a special deputy district attorney. As a result the MFCU retains both statewide jurisdiction and the ability to partner with District Attorneys across the state in the investigation and prosecution of cases.

In 2010, with the enactment of C.R.S. § 25.5-4-303.5 et seq., the Medicaid Fraud Control Unit was vested with the additional authority to investigate and bring civil actions against parties believed to have filed false claims against Medicaid within the State of Colorado.

## UNIT'S AUTHORITY (CONTINUED)

At all times, the MFCU operates in accordance with 42 U.S.C. § 1396b(q), 42 C.F.R. § 1007.1, et seq., and 42 C.F.R. § 455, et seq. As a result, the MFCU is tasked with auditing, investigating, and prosecuting Medicaid provider fraud and patient abuse and generally pursues four categories of cases:

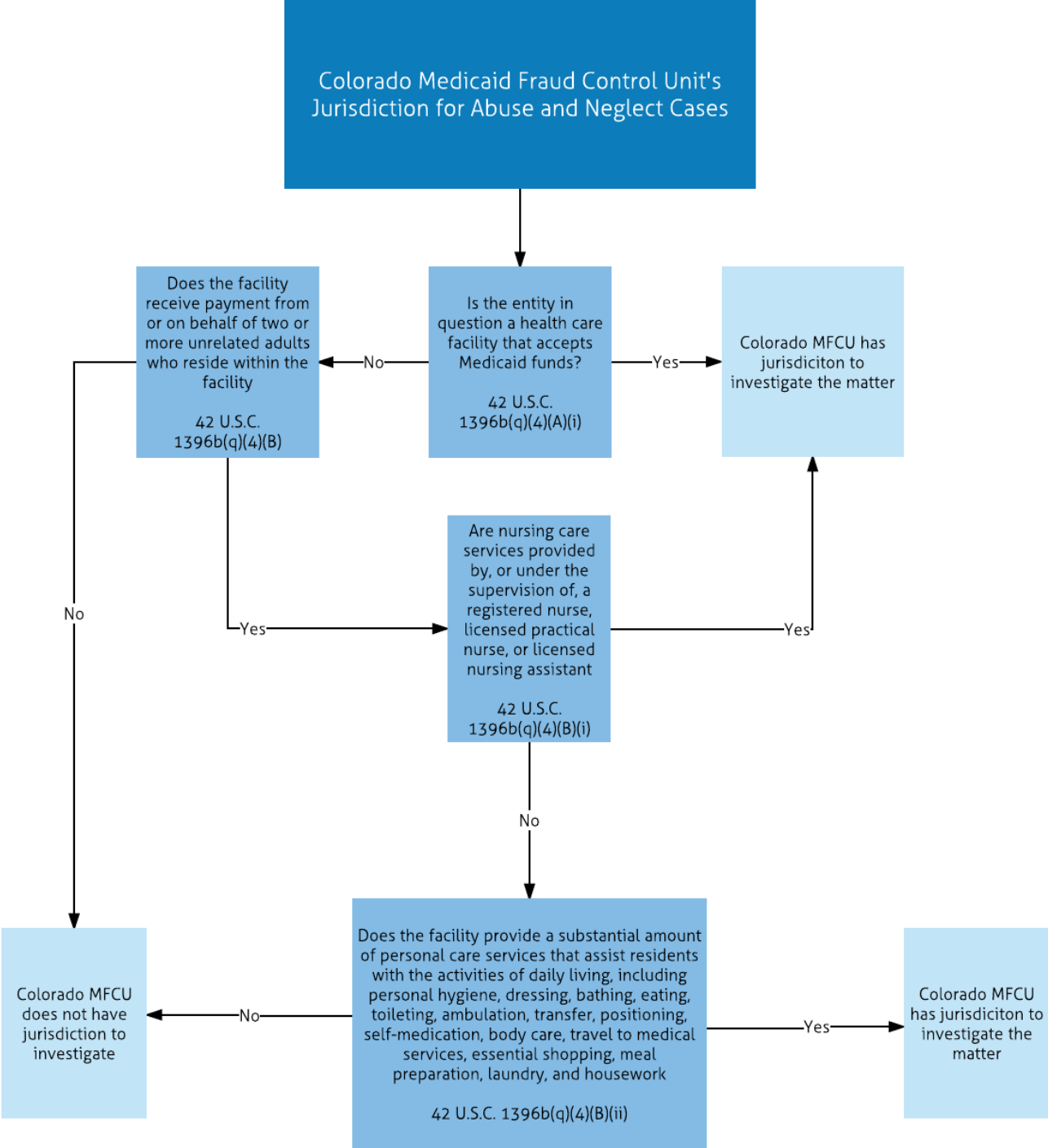
1. **Fraudulent conduct by Medicaid providers and individuals involved with providing Medicaid services.**
2. **The neglect and abuse of clients in federally funded health care facilities or board and care facilities.**
3. **Financial exploitation of residents in those facilities.**
4. **The recovery of Medicaid overpayments identified in the investigation of fraud, patient abuse and neglect, and financial exploitation of clients.**

In instances when the MFCU determines that civil or criminal actions are not possible, it will refer the matters to other agencies such as Colorado Department of Health Care Policy and Financing or U.S. Department of Health and Human Services – Office of the Inspector General (HHS-OIG). The MFCU has procedures in place for referrals and maintains a record of complaints received and actions taken. Various actions and/or sanctions by other agencies may then take place against the provider or facility. Forfeiture actions to recover illicit proceeds of criminally fraudulent acts may be used to augment the criminal prosecution authority.

**Participation by a state in the Medicaid program is voluntary... once a state has made a decision to participate in the Medicaid program, it must meet not only the requirements established by the federal statutory scheme, but must also comply with the administrative guidelines promulgated pursuant to the statute... Upon a determination that a state has not complied with an approved Medicaid plan, the Secretary of the Department of Health and Human Services may withhold payments to that state."**

*Wilson v. Early (In re Early), 709 P.2d 597, 600 (Colo. App. 1985.)*

# UNIT'S JURISDICTION FOR ABUSE & NEGLECT CASES





# STAFFING

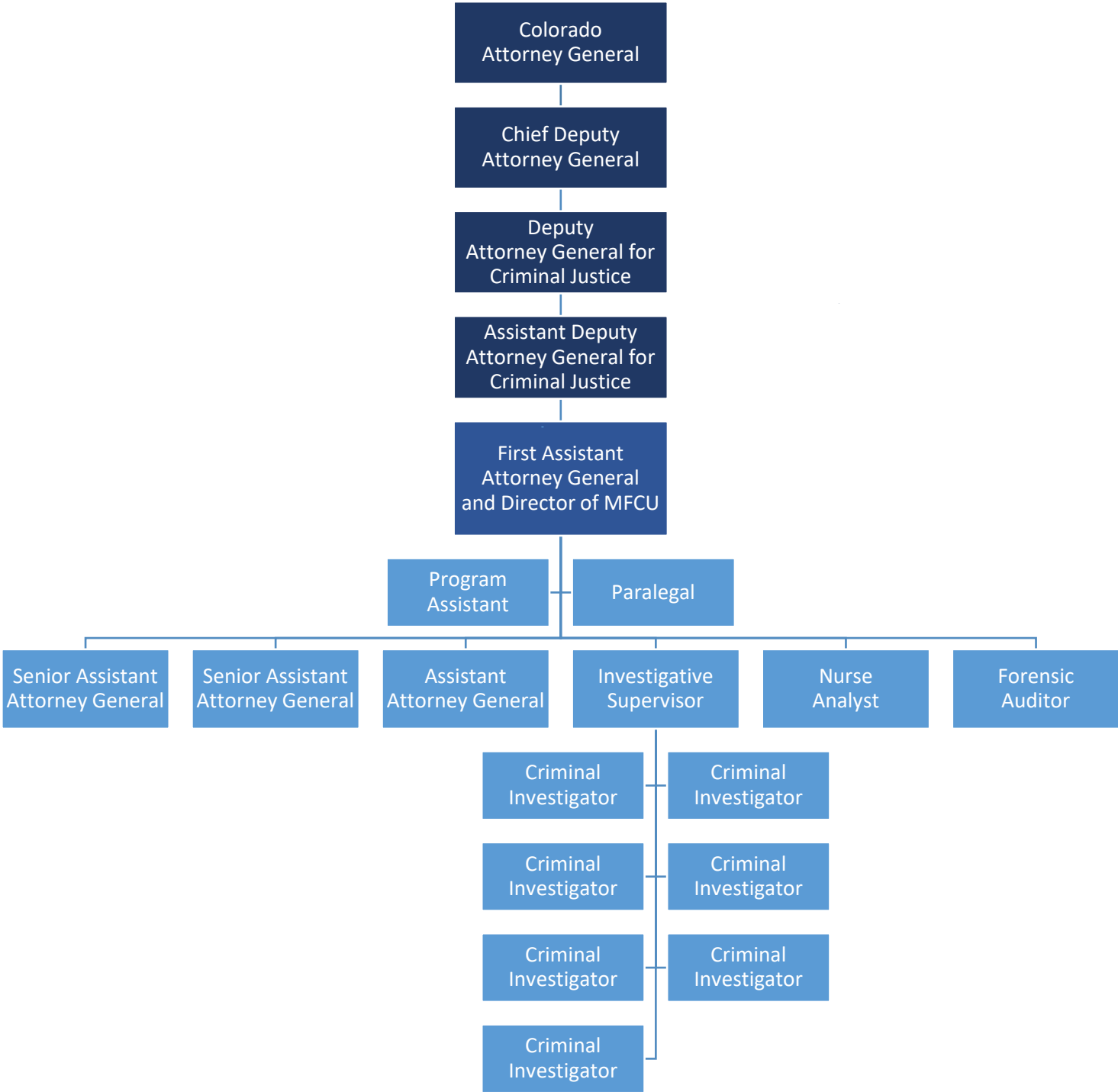
Housed within the Criminal Justice Section of the Colorado Department of Law and the Office of the Attorney General, the Medicaid Fraud Control Unit is staffed with a First Assistant Attorney General that serves as the Director, a Senior Assistant Attorney General that serves as the Civil Litigation and Qui Tam Coordinator, a Senior Assistant Attorney General that oversees all criminal prosecutions, and an Assistant Attorney General that assists with both civil matters and criminal prosecution. In addition to the attorneys, the Medicaid Fraud Control Unit employs an Investigative Supervisor, six Fraud Investigators, an Abuse Investigator, a Nurse Analyst, and a Forensic Auditor. The Unit is supported by a Paralegal and a Program Assistant.

The Director and Investigative Supervisor have the responsibility for the day-to-day operation of the Medicaid Fraud Control Unit. This includes oversight of all investigations, other agency contacts, civil and criminal filing decisions, the management of cases through trial, plea and/or sentencing, grand jury investigations and indictments, and fiscal management of the MFCU's budget and expenditures.

The Director is responsible for compliance with all state and federal laws attached to the Medicaid program, including the HHS-OIG Recertification Review, Medicaid Fraud Oversight and State Auditor's Reviews, and ensuring that Medicaid Fraud Control Unit staff comply with the United States and Colorado Constitutions, the Colorado Criminal Code and Colorado Rules of Criminal Procedure, the Colorado Rules of Evidence, state and federal rules of search and seizure, the federal law and regulations governing MFCUs, and required training and educational programs.



# ORGANIZATIONAL CHART



# UNIT'S NOTABLE CASES

## Medicaid Fraud

On March 29, 2018, defendant Liberty Duran pled guilty to Theft (Class 6 Felony), Forgery (Class 5 Felony), and Theft (Class 1 Misdemeanor) in Weld County District Court. This case began after the Weld County Department of Public Health and Environment (WCDPHE) reported to the MFCU that Ms. Duran was not providing the assessments to Medicaid recipients, first time mothers and their children, which she claimed to be performing as part of her duties with WCDPHE. Upon entering her plea, the court sentenced Ms. Duran to 30 days in Weld County Jail, restitution of \$2,250.04, four years economic supervised probation, and 300 hours of useful public service.

**“The Colorado Attorney General’s Medicaid Fraud Control Unit is dedicated to the investigation and prosecution of Medicaid provider fraud and to the investigation and prosecution of abuse and neglect of the most vulnerable Coloradans.”**

On July 17, 2017, defendant Katrina Lopez pled guilty in Teller County District Court while co-defendant Levi Snare pled guilty on September 18, 2017. The defendants agreed to register Mr. Snare as a caregiver for Ms. Lopez. The pair then submitted timesheets indicating that Mr. Snare was caring for Ms. Lopez in her home though he never provided services. The defendants were able to defraud the Medicaid program of \$26,050.74 before their crime was discovered. Ms. Lopez pled guilty to Theft (Class 4 Felony) and received 10 years supervised economic probation, joint and several restitution in the amount of \$26,050.74, 90 days of home-confinement, and 250 hours of useful public service. Mr. Snare pled guilty to Conspiracy to Commit Theft (Class 5 Felony) and Theft (Class 2 Misdemeanor) and was sentenced to a 10 year deferred judgment, 10 years supervised economic probation, joint and several restitution in the amount of \$26,050.74, and 200 hours of useful public service. On the count of Theft (Class 2 Misdemeanor), Mr. Snare received 10 years supervised economic probation.



On September 25, 2017, defendant Adrienne Shead pled guilty in Jefferson County District Court to Forgery (Class 5 Felony) and Theft (Class 1 Misdemeanor). Ms. Shead was a caretaker who provided services through Accent on Independence to a Medicaid recipient. When Shead was out of town, she still completed and submitted records indicating that she was providing services to Medicaid clients though such services had not been provided. Ms. Shead was sentenced to a four years deferred judgment, four years of supervised economic probation, restitution in the amount of \$5,248.74, and 200 hours of useful public service.

## UNIT'S NOTABLE CASES (CONTINUED)



On July 19th, 2017, defendant Rae Stapp pled guilty in El Paso District Court while co-defendant Susan Martinez pled guilty on August 18, 2017. Ms. Stapp, along with co-defendant Ms. Martinez provided services to a client through the Colorado Medicaid System as Certified Nurse's Aides. Ms. Stapp frequently traveled outside of Colorado, but submitted timesheets to Medicaid documenting the services that she was supposedly providing to a Medicaid client that remained in Colorado. Ms. Martinez assisted Ms. Stapp by providing services to the Medicaid client during Stapp's travels. As a result of these false claims, Medicaid paid Ms. Stapp \$3,938.78 to which she was not entitled. Ms. Stapp was sentenced to Theft (Class 4 Felony) and Theft (Class 2 Misdemeanor) and received a four years deferred judgment, four years of supervised probation, restitution in the amount of \$3,938.78, and 100 hours of useful public service. Ms. Martinez was sentenced on two counts: Theft (Class 6 Felony) and Theft (Class 2 Misdemeanor) and received a four years deferred judgment, four (4) years of supervised probation, joint and several restitution in the amount of \$3,938.78, and 100 hours of useful public service.

### Patient Abuse

On March 12, 2018, defendant Victoria Pletting pled guilty to Criminally Negligent Homicide (Class 5 Felony) in Jefferson County District Court. The victim was the resident of a state facility and suffered from seizures, dysphagia and developmental disabilities. As a result of the medical conditions, the client required line of sight supervision at all times when awake. Ms. Pletting was a caretaker in the facility and while the victim was in her care, she left the victim in the bathtub alone without any supervision. During this time, the victim suffered a seizure and drowned. Sentencing is scheduled for May 16, 2018.

### Civil Investigations

The MFCU Civil Division pursued a number of providers that billed for home and personal services while the clients were hospitalized. This information was discovered through a data request developed by the MFCU and performed by the state Medicaid agency. In some cases, MFCU obtained patient care and/or hospital records to verify accuracy in the data.



## UNIT'S NOTABLE CASES (CONTINUED)

Additionally, the state Medicaid agency provided MFCU with data on several providers billing for oxygen or durable medical equipment and supplies (DME) following the deaths of the clients. Ordinarily, the agency's payment system would be expected to detect such billings and reject them, but occasionally, information about a client's death is not immediately received. The MFCU Civil Division has begun organizing preliminary data and sending demands to providers with the goal of recovering repayment and penalties under Colorado's Medicaid False Claims Act (FCA). The investigation will include an attempt to determine whether these post-death billings are due to reckless inattention or whether there was intentional fraud.

### Global Cases

A member of the MFCU's Civil Division led two interstate NAMFCU settlement teams in the past year, including document drafting, data review, and negotiation with defendants, other government agencies, and relators. Both settlements returned money to Colorado's Medicaid program as well as Medicaid programs in many other states.



In one global case, the pharmaceutical division of a large dialysis company allegedly billed state Medicaid programs for prescription medications that were never shipped to patients, were shipped to patients but returned to the company, or were automatically refilled without required patient consent documentation. In the other global case, a manufacturer of laboratory test devices allegedly produced devices that were not as accurate as their Food and Drug Administration (FDA) approval required, resulting in the possibility of harm to patients or unnecessary expenditures by the Medicaid programs. In both cases, the state teams alleged that the issues resulted in false claims being submitted to the state programs.

The State of Colorado joined the settlement that was reached in two global *qui tam* (whistleblower) lawsuits against Mylan Inc. and Mylan Specialty LP (collectively "Mylan"). Mylan is a pharmaceutical company that was improperly classifying its drugs EpiPen® and EpiPen Jr.® ("EpiPen") as generic drugs rather than name brand drugs. Due to this misclassification, Mylan knowingly underpaid rebates owed to the Medicaid program. The settlement for \$445 million included a Colorado share of \$5.5 million for claims to the Medicaid program made from July 29, 2010 through 2017.



# UNIT'S ACTIVITIES

“  
6,077  
Occurrence  
Reports  
Reviewed  
”

## Partnerships

The MFCU and the Colorado Department of Public Health and Environment (CDPHE) have revised and renewed the Memorandum of Understanding (MOU) between the parties which replaced the MOU that expired in 2014. CDPHE is the entity responsible for licensing and monitoring long-term care facilities, clinics, and hospitals in Colorado. The new MOU requires CDPHE to report all potential mistreatment and findings of mistreatment, suspected fraud and findings of fraud as well as all complaints regarding potential abuse or fraud to the MFCU. The Unit also receives and reviews Occurrence Reports from CDPHE. During the 12 month reporting period, CDPHE posted 6,077 patient abuse, neglect, and related cases on the Occurrence Reports. These included alleged acts of physical abuse, sexual abuse, financial exploitation, threatened abuse, and criminal neglect.

The MFCU also partners with and reviews disciplinary actions taken by the Colorado Department of Regulatory Agencies (DORA) on a regular basis. The evaluation determines whether actions taken by a licensed medical provider that resulted in a disciplinary action merit further investigation by the Unit. Likewise, when an MFCU investigation uncovers wrongdoing by a Medicaid provider, those actions are forwarded to DORA for investigation.

Further, the Medicaid Fraud Control Unit collaborates with officials of the Colorado Department of Public Health and Environment and the state's Long-Term Care Ombudsman Act program. The Ombudsmen assist patients and residents of nursing homes and other long-term care facilities in asserting their civil, legal, and human rights. With their wealth of information about patient care in these facilities, the MFCU encourages information sharing and referral of allegations of patient abuse for possible criminal investigation. These collaborative efforts against health care fraud and patient abuse have been an unquestioned success and have had a significant impact on preserving the integrity of the Medicaid program in the State of Colorado.

The Colorado MFCU is a member of the Special Investigations Unit Working Group. The group brings together state and federal healthcare agencies as well as private health insurance entities to discuss health care fraud issues, coordinate investigations, and facilitate information sharing on health care fraud trends. In addition to the aforementioned efforts, the MFCU has many other strategies underway to reduce overpayments, fraud, and other abuses in the state health care program.



## UNIT'S ACTIVITIES (CONTINUED)

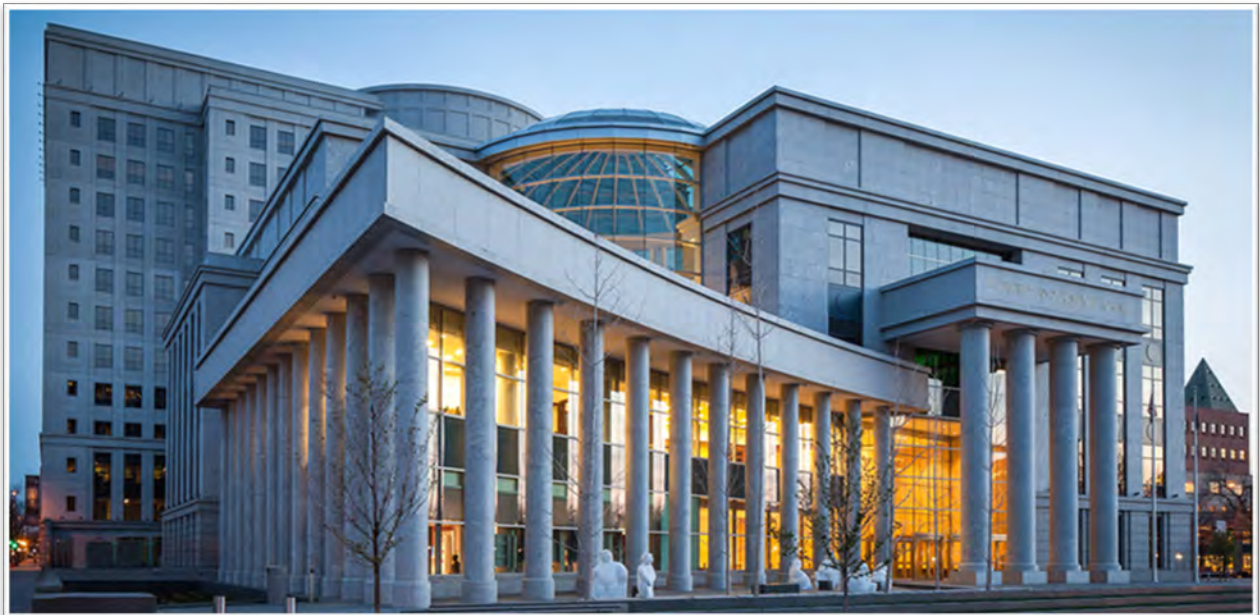
Additional partnership efforts taken by the MFCU to further its mission include coordination and meetings with the Department of Health Care Policy and Financing - Program Integrity Section, the U.S. Department of Health and Human Services – Office of the Inspector General, the Colorado Department of Public Health and Environment, the state's Long-Term Care Ombudsman Act Program members as well as local FBI and DEA offices.

### **Assistance to Other Medicaid Fraud Control Units**

The Colorado Medicaid Fraud Control Unit responds to and complies with requests from other state MFCUs and NAMFCU teams concerning substantive or procedural business in the State of Colorado. All members of the MFCU place a high priority on immediately responding to and fulfilling all requests for assistance made around the country.

### **Legislation**

The Unit continues to be involved in the monitoring and analysis of legislative activities that could significantly affect the Medicaid program and shares this information within the Office of the Attorney General, as well as, with outside stakeholders and partners that could be impacted by said activities. The MFCU staff continues to provide assistance to the Attorney General's staff, the Colorado Legislature, and the Colorado Department of Health Care Policy and Financing by recommending modifications, additions, or new bills for legislation, regulations or program changes that will help to control or prevent fraud and abuse of the Medicaid program.



# INVESTIGATIVE STATISTICS

The Colorado Medicaid Fraud Control Unit is dedicated to the investigation of Medicaid fraud and any allegations of patient abuse & neglect of at-risk individuals. During the reporting period of April 1, 2017 to March 31, 2018, the Unit opened 143 cases, investigated 390 intakes or cases, and closed 80 cases. Additionally, the Unit filed seven cases in court and obtained convictions for seven defendants.

Number of Cases Prosecuted or Referred for Prosecution	Number of Cases Resolved in Settlement or Conviction	Number of Cases Investigated but Not Prosecuted Due to Insufficient Evidence
14	31	63

Number of Abuse and Neglect Complaints Received	Number of Abuse and Neglect Complaints Investigated	Number of Abuse and Neglect Complaints Referred
18	28	0

FRAUD: Facility Based – Inpatient and/or Residential	Opened	Closed	Currently Open
1.01 Assisted Living Facility	2	4	4
1.02 Developmental Disability Residential Facility	0	0	0
1.03 Hospice	1	1	4
1.04 Hospital	3	2	9
1.05 Inpatient Psychiatric Services for Individuals < 21 Age	2	0	2
1.06 Nursing Facility	2	0	13
1.07 Other Inpatient Mental Health Facility	1	1	1
1.08 Other Long-Term Care Facility	0	0	1
<b>TOTAL</b>	<b>11</b>	<b>8</b>	<b>34</b>

FRAUD: Facility Based – Outpatient and/or Day Services	Opened	Closed	Currently Open
2.01 Adult Day Center	1	0	1
2.02 Ambulatory Surgical Center	0	0	0
2.03 Developmental Disability Facility (Non-Residential)	0	0	0
2.04 Dialysis Center	1	1	6
2.05 Mental Health Facility (Non-Residential)	0	0	0
2.06 Substance Abuse Treatment Center	0	0	0
2.07 Other Facility (Non-Residential)	0	1	3
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>10</b>



## INVESTIGATIVE STATISTICS (CONTINUED)

FRAUD: Physician (MD/DO) By Medical Specialty	Opened	Closed	Currently Open
3.01 Allergist / Immunologist	0	1	1
3.02 Cardiologist	0	0	0
3.03 Emergency Medicine	0	0	0
3.04 Family Practice	1	0	1
3.05 Geriatrician	0	0	0
3.06 Internal Medicine	0	0	0
3.07 Neurologist	1	1	1
3.08 Obstetrician/Gynecologist	6	4	6
3.09 Ophthalmologist	0	0	0
3.10 Pediatrician	1	0	2
3.11 Physical Medicine and Rehabilitation	0	0	0
3.12 Psychiatrist	1	1	1
3.13 Radiologist	0	0	0
3.14 Surgeon	1	0	1
3.15 Urologist	0	0	0
3.16 Other MD / DO	9	1	13
<b>TOTAL</b>	<b>20</b>	<b>8</b>	<b>26</b>

FRAUD: Licensed Practitioners	Opened	Closed	Currently Open
4.01 Audiologist	0	0	0
4.02 Chiropractor	0	0	0
4.03 Clinical Social Worker	0	0	0
4.04 Dental Hygienist	0	0	0
4.05 Dentist	5	0	7
4.06 Nurse (LPN, RN, or Other Licensed)	0	3	3
4.07 Nurse Practitioner	0	1	2
4.08 Optometrist	1	0	1
4.09 Pharmacist	0	1	1
4.10 Physician Assistant	1	0	1
4.11 Podiatrist	1	0	1
4.12 Psychologist	0	0	0
4.13 Therapist (Non-Mental Health) PT, Speech, OT, RT	8	3	11
4.14 Other Practitioner	0	0	0
<b>TOTAL</b>	<b>16</b>	<b>8</b>	<b>27</b>

## INVESTIGATIVE STATISTICS (CONTINUED)

<b>FRAUD: Other Individual Providers</b>	<b>Opened</b>	<b>Closed</b>	<b>Currently Open</b>
5.01 EMT / Paramedic	0	0	0
5.02 Nurse's Aide (CNA or Other)	3	6	7
5.03 Optician	0	0	0
5.04 Personal Care Services Attendant	9	3	10
5.05 Pharmacy Technician	0	0	0
5.06 Unlicensed Counselor (Mental Health)	1	0	1
5.07 Unlicensed Therapist (Non-Mental Health)	0	0	0
5.08 Other Individual Providers	8	3	15
<b>TOTAL</b>	<b>21</b>	<b>12</b>	<b>33</b>

<b>FRAUD: Medical Services</b>	<b>Opened</b>	<b>Closed</b>	<b>Currently Open</b>
6.01 Ambulance	0	0	0
6.02 Billing Services	1	0	1
6.03 Durable Medical Equipment (DME)	16	4	50
6.04 Home Health Agency	1	5	9
6.05 Lab (Clinical)	2	3	13
6.06 Lab (Radiology and Physiology)	0	0	1
6.07 Lab (Other)	0	0	0
6.08 Medical Device Manufacturer	8	0	17
6.09 Pain Management Clinic	1	0	1
6.10 Personal Care Services Agency	4	4	8
6.11 Pharmaceutical Manufacturer	22	14	91
6.12 Pharmacy (Hospital)	0	0	0
6.13 Pharmacy (Institutional Wholesale)	2	2	11
6.14 Pharmacy (Retail)	0	3	24
6.15 Transportation (Non-Emergency)	0	0	0
6.16 Other Medical Services	0	1	4
<b>TOTAL</b>	<b>57</b>	<b>36</b>	<b>230</b>

<b>FRAUD: Program Related</b>	<b>Opened</b>	<b>Closed</b>	<b>Currently Open</b>
7.01 Managed Care Organization (MCO)	1	0	2
7.02 Medicaid Program Administration	0	0	0
7.03 Other Program Fraud	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>2</b>

## INVESTIGATIVE STATISTICS (CONTINUED)

ABUSE AND NEGLECT (Including Patient Needs Funds)	Opened	Closed	Currently Open
8.01 Assisted Living Facility	4	4	10
8.02 Developmental Disability Facility Setting (Residential)	1	0	4
8.03 Hospice	0	0	0
8.04 Non-Direct Care	0	0	0
8.05 Nurse's Aide (CNA or Other)	0	0	0
8.06 Nursing Facility	7	1	9
8.07 Personal Care Aide or Other Home Care Aide	0	0	0
8.08 Licensed Nurse (RN, LPN, PA, NP)	0	0	0
8.09 Other Abuse and Neglect	3	1	5
<b>TOTAL</b>	<b>15</b>	<b>6</b>	<b>28</b>

## RECOVERIES

**The Unit recovered \$6.98 million dollars in civil actions and \$67,478 dollars in criminal actions.**

For criminal recoveries, a total of \$59,979.04 in restitution was ordered to be paid by four defendants in two court cases, but each defendant is jointly and severally liable for the restitution, as a result the total recovery to the Medicaid Program will be \$37,488.30. The Unit refers actions to the State Medicaid Agency but does not track recoveries or overpayments by the agency under the MOU agreement.

Number of Recovery Actions Initiated by Unit	Number of Recovery Actions Referred to Another Agency	Total Amount of Overpayments Identified	Total Amount of Overpayments Collected
31	0	\$7,048,727.83*	\$6,973,373.45

## PROJECTIONS FOR APRIL 1, 2018 TO MARCH 31, 2019

Projected Number of Cases Prosecuted or Referred for Prosecution	Projected Number of Cases Resolved in Settlement or Conviction	Projected Number of Cases Investigated but Not Prosecuted Due to Insufficient Evidence
8	55	100

Projected Number of Abuse and Neglect Complaints Received	Projected Number of Abuse and Neglect Complaints Investigated	Projected Number of Abuse and Neglect Complaints Referred
15	20	0

FRAUD: Facility Based – Inpatient and/or Residential	Projected Opened	Projected Closed	Projected End
1.01 Assisted Living Facility	2	4	2
1.02 Developmental Disability Residential Facility	0	0	0
1.03 Hospice	1	3	2
1.04 Hospital	5	2	12
1.05 Inpatient Psychiatric Services for Individuals < 21 Age	0	1	1
1.06 Nursing Facility	4	4	13
1.07 Other Inpatient Mental Health Facility	1	1	1
1.08 Other Long-Term Care Facility	1	1	1
<b>TOTAL</b>	<b>14</b>	<b>16</b>	<b>32</b>

FRAUD: Facility Based – Outpatient and/or Day Services	Projected Opened	Projected Closed	Projected End
2.01 Adult Day Center	2	1	2
2.02 Ambulatory Surgical Center	0	0	0
2.03 Developmental Disability Facility (Non-Residential)	0	0	0
2.04 Dialysis Center	2	4	4
2.05 Mental Health Facility (Non-Residential)	0	0	0
2.06 Substance Abuse Treatment Center	1	0	1
2.07 Other Facility (Non-Residential)	2	2	3
<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>10</b>

# PROJECTIONS (CONTINUED)

FRAUD: Physician (MD/DO) By Medical Specialty	Projected Opened	Projected Closed	Projected End
3.01 Allergist / Immunologist	0	1	0
3.02 Cardiologist	0	0	0
3.03 Emergency Medicine	0	0	0
3.04 Family Practice	1	1	1
3.05 Geriatrician	0	0	0
3.06 Internal Medicine	0	0	0
3.07 Neurologist	0	1	0
3.08 Obstetrician/Gynecologist	3	2	7
3.09 Ophthalmologist	0	0	0
3.10 Pediatrician	1	1	2
3.11 Physical Medicine and Rehabilitation	1	0	1
3.12 Psychiatrist	0	1	0
3.13 Radiologist	0	0	0
3.14 Surgeon	0	0	1
3.15 Urologist	0	0	0
3.16 Other MD / DO	6	3	16
<b>TOTAL</b>	<b>12</b>	<b>10</b>	<b>28</b>

FRAUD: Licensed Practitioners	Projected Opened	Projected Closed	Projected End
4.01 Audiologist	0	0	0
4.02 Chiropractor	0	0	0
4.03 Clinical Social Worker	0	0	0
4.04 Dental Hygienist	0	0	0
4.05 Dentist	4	2	9
4.06 Nurse (LPN, RN, or Other Licensed)	3	2	4
4.07 Nurse Practitioner	0	1	1
4.08 Optometrist	0	1	0
4.09 Pharmacist	1	0	2
4.10 Physician Assistant	0	1	0
4.11 Podiatrist	0	0	0
4.12 Psychologist	0	0	0
4.13 Therapist (Non-Mental Health) PT, Speech, OT, RT	4	2	13
4.14 Other Practitioner	1	0	1
<b>TOTAL</b>	<b>13</b>	<b>9</b>	<b>30</b>

# PROJECTIONS (CONTINUED)

<b>FRAUD: Other Individual Providers</b>	<b>Projected Opened</b>	<b>Projected Closed</b>	<b>Projected End</b>
5.01 EMT / Paramedic	0	0	0
5.02 Nurse’s Aide (CNA or Other)	6	5	8
5.03 Optician	0	0	0
5.04 Personal Care Services Attendant	12	7	15
5.05 Pharmacy Technician	0	0	0
5.06 Unlicensed Counselor (Mental Health)	0	1	0
5.07 Unlicensed Therapist (Non-Mental Health)	0	0	0
5.08 Other Individual Providers	6	8	13
<b>TOTAL</b>	<b>24</b>	<b>21</b>	<b>36</b>

<b>FRAUD: Medical Services</b>	<b>Projected Opened</b>	<b>Projected Closed</b>	<b>Projected End</b>
6.01 Ambulance	0	0	0
6.02 Billing Services	1	0	2
6.03 Durable Medical Equipment (DME)	22	12	60
6.04 Home Health Agency	4	6	7
6.05 Lab (Clinical)	4	4	13
6.06 Lab (Radiology and Physiology)	0	1	0
6.07 Lab (Other)	0	0	0
6.08 Medical Device Manufacturer	8	2	23
6.09 Pain Management Clinic	0	0	1
6.10 Personal Care Services Agency	6	8	6
6.11 Pharmaceutical Manufacturer	20	17	94
6.12 Pharmacy (Hospital)	0	0	0
6.13 Pharmacy (Institutional Wholesale)	3	4	10
6.14 Pharmacy (Retail)	2	4	22
6.15 Transportation (Non-Emergency)	1	0	1
6.16 Other Medical Services	0	2	2
<b>TOTAL</b>	<b>71</b>	<b>60</b>	<b>241</b>

<b>FRAUD: Program Related</b>	<b>Projected Opened</b>	<b>Projected Closed</b>	<b>Projected End</b>
7.01 Managed Care Organization (MCO)	0	1	1
7.02 Medicaid Program Administration	0	0	0
7.03 Other Program Fraud	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>

# PROJECTIONS (CONTINUED)

ABUSE AND NEGLECT (Including Patient Needs Funds)	Projected Opened	Projected Closed	Projected End
8.01 Assisted Living Facility	6	4	12
8.02 Developmental Disability Facility Setting (Residential)	2	2	4
8.03 Hospice	1	0	1
8.04 Non-Direct Care	0	0	0
8.05 Nurse’s Aide (CNA or Other)	0	0	0
8.06 Nursing Facility	5	4	10
8.07 Personal Care Aide or Other Home Care Aide	1	0	1
8.08 Licensed Nurse (RN, LPN, PA, NP)	0	0	0
8.09 Other Abuse and Neglect	4	2	7
<b>TOTAL</b>	<b>19</b>	<b>12</b>	<b>35</b>

# PROJECTED RECOVERIES (APRIL 1, 2018 TO MARCH 31, 2019)

Projected Number of Recovery Actions Initiated by Unit	Projected Number of Recovery Actions Referred to Another Agency	Projected Total Amount of Overpayments Identified	Projected Total Amount of Overpayments Collected
65	0	\$1,000,000	\$650,000

# TRAININGS

Individual staff of the Medicaid Fraud Control Unit pursue training opportunities within Colorado and outside of the state to enhance the ability to detect and investigate fraudulent schemes, as well as the abuse, neglect, and exploitation of vulnerable individuals. The trainings attended by members of the MFCU cover subject areas such as financial crime, computer crime, white-collar fraud, enhanced criminal investigative techniques, conducting audits for the purpose of detecting fraudulent activity, and training on software used by the Colorado Department of Health Care Policy and Financing.

Additionally, members of the MFCU attend continuing education courses that are mandated in order to maintain their professional credentials.

## TRAININGS (CONTINUED)

Training Topic	Staff	Date(s)
Colorado PMBS MRxExplore Analyst Training	Supervisor & 3 Investigators	4/3/17 4/7/17
Office Technology	Program Assistant	4/6/17
Colorado State Grand Jury Training	Paralegal	4/6/17
States Services Training	Investigator	4/6/17
Cyber Security Training Mod 1 & 2	Investigator	5/1/17
CUBS/CATS Training	2 Investigators	4/19/17
Email: Write for Results	Paralegal & Investigator	4/20/17
Data Analyst Training	Auditor	4/25/17 – 4/27/17
Building Successful Relationships in the Work Place	Paralegal & Program Assistant	4/26/17
Cyber Security Training Model 1&2	Investigator	5/1/17
De-escalation Training	3 Investigators	5/3/17
	1 Investigator	5/15/17
Community Policing Defined	2 Investigators	5/8/17 5/12/17
Proper Holds & Restraints	Investigator	5/8/17
	Investigator	5/15/17
Intellectual & Developmental Disabilities (DIDD) Training	All Staff	5/10/17
New Perspectives on Community Policing	Investigator	5/16/17 – 5/17/17
Special Populations- Individuals with Intellectual and Developmental Disabilities	Investigator	5/17/17 – 5/18/17
Krav Maga and Firearms Training	Investigator	5/19/17
Shoot Range and Defensive Tactics Training	Investigator	5/26/17



Training Topic	Staff	Date(s)
Investigating and Prosecuting Drowning Cases	Investigator	6/1/17
Motivating and Engaging Others	Paralegal	6/1/17
NAGTRI Ethics: What Paralegals Need To Know	Paralegal	6/2/17
Medicaid 103 Training Program	Investigator	6/6/17 – 6/8/17
Nursing Facility Cost Report Workshop	Auditor	6/6/17
Performance and Process Improvement: An Effective Way to Engage and Empower Staff	Paralegal	6/7/17
Drug Diversion and Undercover Into Pain Clinics	2 Investigators	6/8/17 – 6/9/17
Bank Scan and Omni Page Software Training	6 Investigators	6/13/17
West Law: Introduction Training	Program Assistant Paralegal	6/15/17 6/16/17
Cyber Security Training	Supervisor 2 Investigators	6/16/17 7/24/17
Accountability is a Two Way Street	Paralegal	6/21/17
Creative Problem Solving	Paralegal	6/22/17
HIPPA Compliance for Attorneys: The New Requirements	Paralegal	6/27/17
Presenting Digital Evidence in Court	Paralegal	6/29/17
Adobe Acrobat DC: Level 1	Program Assistant	6/29/17
Managing a MFCU Training	Director	7/10/17 – 7/14/17
Niche Software Demo & Training	Program Assistant	7/18/17
Supporting Living Options Training	All Staff	7/20/17
Medicaid 101 Training Program	Investigator	7/24/17 – 7/28/17
Ethics Refresher	Program Assistant	7/24/17

Training Topic	Staff	Date(s)
Firearms Training	6 Investigators	8/4/17
Legislative Update Training	Supervisor, 6 Investigators & Program Assistant	8/29/17
National Association of Drug Diversion Investigators Colorado Conference Training	2 Investigators	8/30/17
CCIC Security Training	Investigator	9/6/17
Colorado District Attorney Council's Annual Training Conference	Director, Senior Attorney & Investigator	9/11/17 – 9/15/17
Colorado State Investigators Association Seminar	Investigator	9/26/17 – 9/27/17
Colorado Association of Property and Evidence Technicians Annual Training Conference	2 Investigators	9/26/17 – 9/28/17
NAGTRI Management Training	Supervisor	9/28/17 – 9/29/17
Robust Outlook Calendaring	Program Assistant	10/11/17
NAMFCU Annual Training – Data Track NAMFCU Annual Training – Resident Abuse Track	Auditor & Nurse Analyst	10/16/17 – 10/19/17
Colorado Organization for Victim Assistance Training Conference	Director & Investigator	10/22/17 – 10/25/17
Colorado Chapter of ACFE Training Conference	Auditor	10/26/17 – 10/27/17
Lumen Training	Investigator	10/20/17
Skype for Business	Program Assistant	11/16/17
National Elder and Dependent Adult Abuse Symposium	Investigator & Nurse Analyst	11/28/17 – 12/1/17
Medicaid 102 Training Program	2 Investigators	12/5/17 – 12/7/17
Benefits Management	All Staff	1/18/18
Overdose Death Investigation and Prosecution Training	Supervisor Senior Attorney 2 Investigators	2/6/18
CUBS – Unemployment Insurance Modernization Project	Investigator	2/27/18

Training Topic	Staff	Date(s)
Shooting Range and Defensive Tactics Training	Investigator	3/16/18
Honsha's PDCA 8-Step Intermediate Problem Solving Training	Program Assistant	3/22/18 – 7/10/18
Ask Me Anything: Elder Abuse Prosecutions and Investigations	Investigator	3/27/18
Investigative Skills 1 & 2	Investigator	3/27/18
Report Writing 1 & 2	Investigator	3/30/18

## COMMUNITY OUTREACH

Members of the Medicaid Fraud Control Unit have been invited to present to government agencies, local law enforcement agencies, health care groups, and community groups regarding the scope of the mission of MFCU. The Unit also provides both law enforcement and civilians with the tools to assist them in identifying possible incidents of Medicaid fraud and incidents of abuse, neglect, and exploitation of Colorado's most vulnerable citizens. The Medicaid Fraud Control Unit continues to engage in substantial efforts to provide public and provider education about the Colorado Medicaid program, elder abuse issues, national health care fraud issues, and specific provider-oriented education efforts. The chart below reflects some of the outreach activities in which the MFCU's attorneys, auditor, nurse analyst, and investigators participate.

Outreach Topic	Staff	Date(s)
CUBS & CATS Training to AGO's Investigators Group	Investigator	4/18/17
Outreach Training on Abuse and Neglect to Ombudsman	Investigator & Director	4/27/17
Medicaid 103 Training Program	Senior Attorney	6/4/17 – 6/9/17
Presentation on Abuse and Neglect to State Medicaid Agency Directors	Director, Investigator & Nurse Analyst	6/8/17
Investigation of Abuse and Neglect in Facilities to Denver Police Department's Special Victims Unit	Investigator	6/27/17
NAMFCU Team Leader Training	Senior Attorney	8/1/17 – 8/3/17

Outreach Topic	Staff	Date(s)
Presentation on Medicaid Fraud to the National Conference of the Association of Healthcare Auditors and Educators	Director	8/3/17
Medicaid 102 Training Program	Senior Attorney	8/6/17 – 8/10/17
Training on abuse and neglect given to State Ombudsman in Westminster	Director & Investigator	9/19/17
Abuse and Neglect training to Disability Law Colorado Group	Director & Investigator	9/25/17
Outreach and training to Colorado Coalition for Elder Rights and Abuse Prevention Group	Director & Investigator	10/4/17
Abuse and neglect outreach to Jefferson County Adult Protection Services Group	Director & Investigator	10/17/17
Homicides Hiding in Plain Sight at COVA Conference	Director & Investigator	10/25/17
State Civil Enforcement to the HCCA National Compliance Conference	Senior Attorney	10/31/17
Elder Abuse & Domestic Violence to Boulder County Sheriff's Citizen Academy	Investigator	12/21/17
Outreach to Colorado Coalition for Elder Rights and Abuse Prevention Steering Committee Group	Investigator	2/6/18
Training on spotting and preventing abuse and neglect to Eaton Senior Communities	Director & Investigator	2/15/18
Outreach to Colorado Executives of The ARC of Colorado	Director & Investigator	3/6/18
MFCU and Prosecutorial Ethics to Johnson & Wales University	Senior Attorney	3/21/18



# EXPENDITURES

Personnel Expenses	
Salaries	\$ 1,395,996
Benefits	\$ 470,494
<b>Total Personnel Expenses</b>	<b>\$ 1,866,490</b>

Indirect Costs	
\$ 1,866,490 (Personnel Expenses) x .105	\$ 190,382
<b>Total Indirect Costs</b>	<b>\$ 190,382</b>

Operational Expenses	
Litigation, Professional and Consulting Fees	\$ 1,742
Information Technology Support Services	\$ 25,995
Automobile Expenses	\$ 6,519
Building Rent	\$ 115,302
Telephone Services	\$ 6,251
Membership Dues	\$ 16,815
Book Subscriptions	\$ 11,900
Registration Fees	\$ 11,048
Non-Capital Furniture and Equipment	\$ 41,664
Travel Expenses	\$ 19,121
Insurance Expenses	\$ 30,254
Miscellaneous Other	\$ 3,425
<b>Total Operational Expenses</b>	<b>\$ 290,036</b>

**Grand Total of Expenditures for Colorado MFCU** **\$ 2,346,908**

Indirect Costs	Total	Direct Costs	Total
State Share (25%)	\$ 47,596	State Share (25%)	\$ 539,132
Federal Share (75%)	\$ 142,787	Federal Share (75%)	\$ 1,617,395
<b>Total</b>	<b>\$ 190,382</b>	<b>Total</b>	<b>\$ 2,156,526</b>

# CONCLUSION

Dedicated to the investigation and prosecution of Medicaid provider fraud as well as the abuse and neglect of Medicaid clients, the Colorado Attorney General’s Medicaid Fraud Control Unit will continue to protect the integrity of the system that provides healthcare to those with the greatest needs within the state.

To this end, the MFCU will use both its civil and criminal authority to recover funds that have been fraudulently obtained from the State of Colorado’s Medicaid system. The Medicaid Fraud Control Unit will continue to hold the entities responsible for such fraudulent transactions accountable through criminal prosecution, civil sanctions, or a combination of the two, while continuing to work with the Colorado Department of Health Care Policy and Financing to create safeguards that detect, reduce, and in some instances, eliminate the flow of fraudulent funds from the Medicaid system.

The Medicaid Fraud Control Unit will continue to investigate and prosecute those who abuse and neglect the most vulnerable citizens of the state. The providers investigated and prosecuted by the Unit form only a small percentage of the total number of providers registered to deliver valuable medical products and services to the state’s beneficiaries. However, fraud and abuse by the few unscrupulous providers continue to take their toll on the integrity of the program and the Medicaid Fraud Control Unit will continue to partner with other agencies, providers, and the public to prevent, deter, and respond to fraud and abuse throughout the state of Colorado.





### **To report fraud, waste, or abuse**

Every dollar lost to the misuse of Medicaid resources becomes one less dollar available to fund programs providing essential health services for vulnerable Coloradans. You can help your fellow citizens by reporting any possible fraud, waste, and abuse to our office.

Phone	(720) 508-6696
Fax	(720) 508-6034
Email	<a href="mailto:mfcu.investigations@coag.gov">mfcu.investigations@coag.gov</a>
Website	<a href="https://www.stopfraudcolorado.gov/fraud-center/medicaid-fraud">https://www.stopfraudcolorado.gov/fraud-center/medicaid-fraud</a>