

Cynthia Marcotte Stamer

Board Certified – Labor and
Employment Law
Texas Board of Legal Specialization
Primary Telephone: (214) 452-8297
24-Hour Telephone (469) 767.8872
Addison Telephone (972) 588.1860
cstamer@solutionslawyer.net

Helping Management Manage

Primary Office
16633 Dallas Parkway, Suite 600
Addison, Texas 75001

Mail Room/Plano Office
3948 Legacy Drive
Suite 106, Box 397
Plano, Texas 75023

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**Arrest of Dallas Doctor, Office Manager & 5 Home Health Agency Owners
Highlights Data Mining Power In Health Care Fraud Fight**

Volume, Cutting Edge Treatment or Other Statistical Variations in Care Patterns

Increasingly Raise Potential Fraud Examination Risk

Federal regulators credit sophisticated statistical profiling and other new fraud investigation tools with playing a key role in the federal health care fraud investigation that led to the arrest on health care fraud indictments of a Dallas-area physician, the office manager of his medical practice, and five home health agency owners. The Dallas-area defendants charged in the indictments unsealed February 28, 2012 face health care fraud charges related to their alleged participation in a nearly \$375 million health care fraud scheme involving fraudulent claims for home health services. In a related action, the Center for Medicare & Medicaid Services (CMS) suspended an additional 78 home health agencies (HHA) associated with defendant Roy based on what CMS views as credible allegations of fraud against them.

Federal officials say the February 28th arrests and CMS suspensions resulted from Medicare Fraud Strike Force operations conducted by the Health Care Fraud Prevention & Enforcement Action Team (HEAT). HEAT is a joint initiative announced in May 2009 between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce anti-fraud laws around the country. Justice Department officials say the conduct charged in this indictment represents the single largest fraud amount orchestrated by one doctor in the history of the HEAT initiative.

Dallas Home Health Care Indictments

Filed in the Northern District of Texas, the indictment unsealed February 28, 2012 charges Jacques Roy, M.D., 54, of Rockwall, Texas; Cynthia Stiger, 49, of Dallas; Wilbert James Veasey Jr., 60, of Dallas; Cyprian Akamnonu, 63, of Cedar Hill, Texas; Patricia Akamnonu, RN, 48, of Cedar Hill; Teri Sivils, 44, of Midlothian, Texas; and Charity Eleda, RN, 51, of Rowlett, Texas, each with one count of conspiracy to commit health care fraud. Roy also is charged with nine counts of substantive health care fraud. Veasey, Patricia Akamnonu and Eleda each are charged with three counts of health care fraud. Eleda also is charged with three counts of making false statements related to a Medicare claim

According to the indictment, Dr. Roy owned and operated Medistat Group Associates P.A. in the Dallas area. Medistat was an association of health care providers that primarily provided home health certifications and performed patient home visits. Federal officials charge that Dr. Roy allegedly certified or directed the certification of more than 11,000 individual patients from more than 500 HHAs for home health services during the past five years. Between January 2006 and November 2011, Medistat certified more Medicare beneficiaries for home health services and had more purported patients than any other medical practice in the United States. Federal officials charge these certifications allegedly resulted in more than \$350 million being fraudulently billed to Medicare and more than \$24 million being fraudulently billed to Medicaid by Medistat and HHAs.

The indictment charges Dr. Roy used HHAs as recruiters so that Medistat could bill unnecessary home visits and medical services. The other providers as well as Dr. Roy's staff are accused of illegally recruiting homeless and other patients to serve as Medicare beneficiaries to be placed at the HHAs so that they could bill Medicare for the unnecessary and not provided services. Federal officials claim that Eleda allegedly visited The Bridge Homeless Shelter in Dallas to recruit homeless beneficiaries staying at the facility, paying recruiters \$50 per beneficiary they found at The Bridge and directed to Eleda's vehicle parked outside the shelter's gates. For more details, see [Arrest of Dallas Doctor, Office Manager & 5 Home Health Agency Owners Highlights Data Mining Power In Health Care Fraud Fight.](#)

Each charged count of conspiracy to commit health care fraud and substantive health care fraud carries a maximum penalty of 10 years in prison and a \$250,000 fine. Each false statement charge carries a maximum penalty of five years in prison and a \$250,000 fine. The indictment also seeks forfeiture of numerous items including funds in bank accounts, a sailboat, vehicles and multiple pieces of property.

In announcing the indictment, Federal officials said an indictment is merely an allegation and defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

New Data Mining & Other Anti-Fraud Tools Credited

In announcing the indictments, federal officials credited new data analysis mining and other fraud fighting tools with playing a key role in uncovering the alleged misconduct leading to the indictment against the Medistat defendants and as well as growing list of other federal health care fraud defendants.

Legal reforms and new resources granted under the Patient Protection & Affordable Care Act (Affordable Care Act) and various other legal changes have beefed up the fraud detection and fighting powers of Federal health care fraud investigators and prosecutors.

Of particular note in the Medistat investigation and a growing number of other cases are new data mining tools. To target resources to highly suspect behaviors, CMS has implemented the new Fraud Prevention System, which uses advanced predictive modeling technology to fight fraud. The Medistat indictments illustrate how the HEAT team is using these new tools to target what Federal officials consider "suspicious billing spikes." HHS Inspector General Levinson said in the Medistat case data analysts discovered that in 2010, while 99 percent of physicians who certified patients for home health signed off on 104 or fewer people, Dr. Roy certified more than 5,000.

While this data analysis process helps highlight providers improperly submitting a high volume of claims or engaging in other questionable activities more efficiently, experts caution that this tool must be used judiciously to avoid inappropriately penalizing providers delivering legitimate but expensive care to critically ill patients in specialty practices where the nature of the patients or evolving nature of treatment may result in legitimate but atypical patterns of treatment. See e.g., [U.S. to use software to crack down on Medicare, Medicaid, CHIP fraud.](#)

Other Tools Also Strengthening Anti-Fraud Effort

Using these data mining and a host of other new fraud fighting resources created under the Patient Protection & Affordable Care Act (Affordable Care Act) and other recently enacted laws, the HEAT Task Force and other federal health care fraud investigators are enjoying record successes in deploying these tools to achieve successful health care fraud prosecutions. Government's health care fraud prevention and enforcement efforts recovered nearly \$4.1 billion in taxpayer dollars in Fiscal Year (FY) 2011 according to the [FY 2011 Health Care Fraud and Abuse Control Program Report](#) jointly released by HHS and the Justice Department on February 14, 2012.

In addition to the data mining tools highlighted in the Medistat indictments, other new tools helping to boost the success of federal health care fraud investigation and prosecution include:

- Tough new rules and sentences for criminals
- Enhanced screening and other enrollment requirements

- Increased coordination of fraud prevention efforts
- Health Care Fraud Prevention and Enforcement Action Team (HEAT)
- New focus on compliance and prevention
- Expanded overpayment recovery efforts
- New durable medical equipment (DME) requirements
- An additional \$350 million over 10 years to ramp up anti-fraud efforts
- Greater oversight of private insurance abuses
- Senior Medicare Patrols

The continuing success of these and other federal health care fraud investigation and enforcement efforts continue to demonstrate the need for health care providers and payers to strengthen their compliance practices and documentation to avoid getting caught in the ever tightening health care fraud dragnet.

Health Care Providers Must Act To Manage Risks

In response to the growing emphasis and effectiveness of Federal officials in investigating and taking action against health care providers and organizations, health care providers covered by federal false claims, referral, kickback and other health care fraud laws should consider auditing the adequacy of existing practices, tightening training, oversight and controls on billing and other regulated conduct, reaffirming their commitment to compliance to workforce members and constituents and taking other appropriate steps to help prevent, detect and timely redress health care fraud exposures within their organization and to position their organization to respond and defend against potential investigations or charges.

For More Information Or Assistance

If you need assistance reviewing or responding to these or other health care related risk management, compliance, enforcement or management concerns, the author of this update, attorney Cynthia Marcotte Stamer, may be able to help. Vice President of the North Texas Health Care Compliance Professionals Association, Past Chair of the ABA Health Law Section Managed Care & Insurance Section and the former Board Compliance Chair of the National Kidney Foundation of North Texas, Ms. Stamer has more than 24 years experience advising health industry clients about these and other matters. Her experience includes advising hospitals, nursing home, home health, rehabilitation and other health care providers and health industry clients to establish and administer compliance and risk management policies; prevent, conduct and investigate, and respond to peer review and other quality concerns; and to respond to Board of Medicine, Department of Aging & Disability, Drug Enforcement Agency, OCR Privacy and Civil Rights, HHS, DOD and other health care industry investigation, enforcement and other compliance, public policy, regulatory, staffing, and other operations and risk management concerns.

A popular lecturer and widely published author on health industry concerns, Ms. Stamer continuously advises health industry clients about compliance and internal controls, workforce and medical staff performance, quality, governance, reimbursement, and other risk management and operational matters. Ms. Stamer also publishes and speaks extensively on health and managed care industry regulatory, staffing and human resources, compensation and benefits, technology, public policy, reimbursement and other operations and risk management concerns. Her insights on these and other related matters appear in the Health Care Compliance Association, Atlantic Information Service, Bureau of National Affairs, The Wall Street Journal, Business Insurance, the Dallas Morning News, Modern Health Care, Managed Healthcare, Health Leaders, and a many other national and local publications. You can get more information about her health industry experience [here](#). If you need assistance responding to concerns about the matters discussed in this publication or other health care concerns, wish to obtain information about arranging for training or presentations by Ms. Stamer, wish to suggest a topic for a future program or update, or wish to request other information or materials, please contact Ms. Stamer via telephone at (214) 452-8297 or via e-mail [here](#).

If you or someone else you know would like to receive future updates about developments on these and other concerns from Ms. Stamer, see [here](#).

Other Recent Updates

If you find this of interest, you also be interested reviewing some of our other Solutions Law Press resources including:

- [Minimum Wage, Overtime Risks Highlighted By Labor Department Strike Force Targeting Residential Care & Group Homes](#)
- [Update Charity and Sliding Fee Scale Policies For 2012 Federal Poverty Rate Changes](#)
- [ONC Releases Proposed Rules For Meaningful Use Stage 2](#)
- [DOJ & HHS Health Care Fraud Enforcement Nets \\$4 Billion + In 2011\](#)
- [Update Charity and Sliding Fee Scale Policies For 2012 Federal Poverty Rate Changes](#)
- [Texas Physicians Get New Option For Resolving Some Medical Board Complaint](#)
- [Broad-Reaching Prosecution Of Individuals Participating In Operations Of Companies Convicted Of Fraud Shows Risks Of Participation](#)
- [Hospitals Can Expect CMS To Add Hospital Incident Reporting To Surveys In Response To OIG Report](#)
- [North Texas Medical Supply Company Owner Indicted For Health Care Fraud Now Also Charged With Immigration Fraud](#)
- [DOL Proposes Tighter Overtime, Minimum Wage Rules For Home Care Workers, Continues Scrutiny Of Health Care Employers](#)
- [DFW Hospital Council Foundation Among 26 Organizations Selected To Lead Quality Effort](#)
- [Former Houston Texas Physician Gets 70 Month Prison Sentence For Fraud Conviction](#)
- [Eules Healthcare Corporation Owner, Associates Face Conspiracy And Health Care Fraud Charges For Alleged Submission Of \\$700,000+ In Fraudulent Health Care Claims](#)
- [Former Manager 9th Employee Sentenced For Involvement In Maxim Medicare False Claims Action](#)
- [Medical Identity Theft/Fraud Convictions Highlight Need For Health Care Providers To Safeguard Health Information, Guard Against Fraud Schemes](#)
- [Detroit-Area Foot Doctor Pleads Guilty to Medicare Fraud Scheme](#)
- [Merck To Pay \\$950 Million To Settle Vioxx® Off-Label Marketing Charges](#)
- [Texas Physicians Get New Option For Resolving Some Medical Board Complaint](#)
- [Broad-Reaching Prosecution Of Individuals Participating In Operations Of Companies Convicted Of Fraud Shows Risks Of Participation](#)
- [Hospitals Can Expect CMS To Add Hospital Incident Reporting To Surveys In Response To OIG Report](#)
- [Quality, Recordkeeping & Unprofessional Conduct Lead Reasons For Medical Board Discipline of Physicians](#)
- [DEA Cautions Practitioners Must Restrict Delegation of Controlled Substance Prescribing Functions, Urges Adoption of Written Policies & Agreements](#)

If you or someone else you know would like to receive future updates about developments on these and other concerns, please be sure that we have your current contact information – including your preferred e-mail – by creating or updating your profile [here](#). For important information concerning this communication click [here](#).

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