

MFCU  
Your fraud fighting partner

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**What is a MFCU?**

- Established in 1978, a MFCU is typically the only statewide unit with both criminal and civil powers and is the enforcement arm for Washington's \$7.48 billion Medicaid program.
- MFCU investigates and prosecutes:
  - **criminal and civil Medicaid and Medicare provider fraud**
  - **abuse and neglect in long term care residential facilities.**
- Partners directly with the our state agencies, Managed Care Organizations, federal agencies and you in combating fraud, abuse and neglect

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**Types of Cases**

- Our investigations can be criminal/civil or both. Typical cases include:
  - > Pharmacy,
  - > pill mills,
  - > doc in the box,
  - > durable medical equipment,
  - > behavioral health,
  - > day hab facilities,
  - > money laundering,
  - > complex conspiracies,
  - > long term care institutional,
  - > caregiver abuse/neglect,

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- We also lead and partner National Medicaid Fraud Control Unit investigations and cases for example:
  - pharmaceutical companies
  - device and drug manufacturers
  - national chains /companies

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- ### Partnering with MFCU
- If you see something, say something.
    - > Regulatory Counsel, Special Investigative Units and Compliance departments are some of our strongest partners.
    - > We will work with you to figure out if it is something we can pursue, if not, we will get to you the right people.

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## Identifying Medicaid Fraud



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## Mandate

- Protect those in long term care facilities
- Fight fraud
- So for us, our investigations follow the money and the data

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### Essence of a Fraud Case:

- Was the claim submitted or caused to be submitted knowingly false and was the falsity material to the decision to pay?
  - > i.e. had Medicaid known of the misrepresentation would it have paid the claim

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### Abuse/Neglect Case

- Abuse/ neglect:
  - > Duty of care
  - > Standard of care
  - > Neglect examples: Non provision of services-billing for rendering care, yet residents not receiving basic care, decent food, etc.
  - > Abuse examples:
    - Serious bodily injury, example: fractures, bed sores
    - Sexual Assault
    - Deaths

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### Things we look for...

- Medicaid Impact
- Medicare Impact
- Deterrent effect
- Nature and grievousness of the allegation

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**Medicaid Providers**

- > Requirements under their provider enrollment and keeping up on the rules and regulations
  
- > Remember that ignorance is no excuse and not a good defense
  
- > Certify that each claim submitted or cause to be submitted is true and accurate

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**Deficit Reduction Act Section 6032**

- ⦿ an entity includes organizational units (a governmental agency, organization, unit, corporation, partnership, or other business arrangement) and individuals, as long as the organizational unit or individual receives or makes payments totaling at least \$5 million annually under a Title XIX State Plan, State Plan waiver, or Title XIX demonstration.
  
- ⦿ It is the responsibility of each entity to establish and disseminate written policies which must also be adopted by its contractors or agents. Written policies may be on paper or in electronic form, but must be readily available to all employees, contractors, or agents. For purposes of determining whether an individual or organization must comply with section 6032 as an entity or as a contractor:

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- if a provider is directly paid \$5 million in a Federal fiscal year from the State Medicaid Agency, the provider would qualify as an entity, and must comply as such, regardless of whether the provider also contracts with a Medicaid Managed Care Organization (MCO); or
- if a provider contracts with a Medicaid MCO that has met the \$5 million threshold, but the provider itself receives less than \$5 million annually directly from the State Medicaid Agency, then the provider must comply as a contractor of the Medicaid MCO, regardless of the amount it is paid by the Medicaid MCO for Medicaid patients."
- any entity making or receiving payments to Medicaid of at least 5 million per year must provide False Claims Act education to their employees

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- False Claims Act**
- FCA case, RCW 74.66: if the person:
  - Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval; or
  - Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

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- Liable for 3x times the government's damages
  - > 2x if defendant provides all information known to him/her within 30 days, cooperates and didn't otherwise know about the criminal/civil investigation or an administrative investigation
- Penalties of \$10,95 to \$21,916 per false claim, [Note that FCA penalties have been adjusted for inflation at the state and federal level]
- Attorney fees & costs-RCW 74.66.020(1);
- Interest

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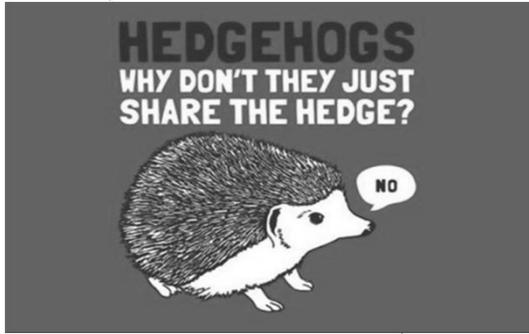
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Questions?



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