




Iowa Medicaid Fraud Control Unit

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Iowa Medicaid Fraud Control Unit

Talking Points

- ▶ Overview of the Iowa Medicaid Fraud Control Unit
 - ▶ HHS OIG Exclusions 
- ▶ Medicaid Provider Fraud
 - ▶ Reporting Medicaid fraud
 - ▶ CMS 60-day Rule



Overview of the Iowa Medicaid Fraud Control Unit



Overview of the Iowa MFCU

It is the mission of the Iowa Medicaid Fraud Control Unit to safeguard the Iowa Medicaid program by investigating fraudulent activities pertaining to the provision of Medicaid goods and services; and protect vulnerable victims by investigating abuse, neglect, degradation, and exploitation committed against patients receiving health care services.

Overview of the Iowa MFCU

- ▶ Medicaid is a health insurance program funded by federal and state government for low-income, disabled, and elderly
- ▶ Established in 1965 by Title XIX of the Social Security Act
- ▶ In Iowa, the Medicaid program is administered by Iowa Medicaid, which is within the Iowa Department of Health and Human Services, along with contracted Managed Care Organizations (MCO's)

Overview of the Iowa MFCU

- ▶ Title XIX of the Social Security Act also created a nationwide system of Medicaid Fraud Control Units
- ▶ The Iowa MFCU was certified by the US Department of Health and Human Services, Office of Inspector General (HHS OIG) in 1986
 - ▶ 75% federally funded by HHS OIG
- ▶ Located within the Investigations Division of the Iowa Department of Inspection, Appeals, and Licensing (DIAL)
 - ▶ 51/53 MFCU's located in state AG offices
 - ▶ Iowa MFCU refers criminal cases to state or federal prosecutors

Overview of the Iowa MFCU

- ▶ Conduct criminal and civil investigations involving allegations of...
 - ▶ healthcare fraud committed by providers of Medicaid services against the Medicaid program
 - ▶ fraudulent activities pertaining to the provision of Medicaid goods/services
 - ▶ fraud in the administration of the Medicaid program
 - ▶ abuse and neglect within healthcare facilities committed by healthcare providers against patients/residents
 - ▶ abuse and neglect in “non-institutional” settings committed by Medicaid providers against Medicaid beneficiaries
 - ▶ financial exploitation of dependent adults residing in DIAL-regulated facilities by family members, POA’s, rep payees, etc...

Overview of the Iowa MFCU

- ▶ 45 C.F.R. § 164.501
 - ▶ MFCUs fall within the definition of a “health oversight agency” allowing access to Protected Health Information (PHI)
- ▶ Iowa Code § 10A.403
 - ▶ peace officer status
 - ▶ do not carry weapons
 - ▶ do not arrest

Overview of the Iowa MFCU

Work cooperatively with local, state, and federal law enforcement partners to investigate and prosecute criminal and civil fraud and abuse cases

- ▶ US Attorney's Office
- ▶ HHS OIG; DEA; & FBI
- ▶ Local County Attorneys
- ▶ Local Sheriffs' Offices and Police Departments

Overview of the Iowa MFCU



- ▶ Convictions result in MFCU submitting HHS OIG exclusions to prohibit the provider from participation in federally funded healthcare programs
 - ▶ Prohibited from direct payment for Medicaid services
 - ▶ Prohibited from employment (*very limited exceptions*) with entities that except federal healthcare dollars
- ▶ <https://exclusions.oig.hhs.gov/default.aspx>

Search the Exclusions Database

Do not use your browser's back button while navigating through the LEIE search. Instead, use the built-in below:

Search For An Individual

[Search For Multiple Individuals](#) | [Search For A Single Entity](#) | [Search For Multiple Entities](#)


Last Name (and/or) First Name

[Search](#) [Clear](#)

Exclusions Search Results: Individuals

Results were found for

▶ 

 If the name of the individual or entity appears below, click on the underlined last name or entity name to Verify the record. If the name does not appear in the search results below, print this Web page for your documentation.

[Print Search Results](#)

Last Name	First Name	Middle Name	General	Specialty	Exclusion	Waiver	SSN/EIN
			LYNN	IND- LIC HC SERV PROV	NURSE/NURSES AIDE	1128(b)(1)	Verify
			LYNN	IND- LIC HC SERV PROV	NURSE/NURSES AIDE	1128(a)(3)	Verify

Overview of the Iowa MFCU



► https://oig.hhs.gov/exclusions/effects_of_exclusion.asp

Employing an Excluded Individual or Entity

As indicated above, BBA authorizes the imposition of CMPs against health care providers and entities that employ or enter into contracts with excluded individuals or entities to provide items or services to Federal program beneficiaries (section 1128A(a)(6) of the Act; 42 CFR 1003.102(a)(2)). This authority parallels the CMP for health maintenance organizations that employ or contract with excluded individuals (section 1857(g)(1)(G) of the Act). Under the CMP authority, providers such as hospitals, nursing homes, hospices and group medical practices may face CMP exposure if they submit claims to a Federal health care program for health care items or services provided, directly or indirectly, by excluded individuals or entities.

Thus, a provider or entity that receives Federal health care funding may only employ an excluded individual in limited situations. Those situations would include instances where the provider is both able to pay the individual exclusively with private funds or from other non-federal funding sources, and where the services furnished by the excluded individual relate solely to non-federal program patients.

In many instances, the practical effect of an OIG exclusion is to preclude employment of an excluded individual in any capacity by a health care provider that receives reimbursement, indirectly or directly, from any Federal health care program.

CMP Liability for Employing or Contracting with an Excluded Individual or Entity

If a health care provider arranges or contracts (by employment or otherwise) with an individual or entity who is excluded by the OIG from program participation for the provision of items or services reimbursable under such a Federal program, the provider may be subject to CMP liability if they render services reimbursed, directly or indirectly, by such a program. CMPs of up to \$10,000 for each item or service furnished by the excluded individual or entity and listed on a claim submitted for Federal program reimbursement, as well as an assessment of up to three times the amount claimed and program exclusion may be imposed. For liability to be imposed, the statute requires that the provider submitting the claims for health care items or services furnished by an excluded individual or entity "knows or should know" that the person was excluded from participation in the Federal health care programs (section 1128A(a)(6) of the Act; 42 CFR 1003.102(a)(2)). Providers and contracting entities have an affirmative duty to check the program exclusion status of individuals and entities prior to entering into employment or contractual relationships, or run the risk of CMP liability if they fail to do so.

Set forth below is a listing of some of the types of items or services that are reimbursed by Federal health care programs which, when provided by excluded parties, violate an OIG exclusion. These examples also demonstrate the kinds of items and services that excluded parties may be furnishing which will subject their employer or contractor to possible CMP liability.

- ❖ Services performed by excluded nurses, technicians or other excluded individuals who work for a hospital, nursing home, home health agency or physician practice, where such services are related to administrative duties, preparation of surgical trays or review of treatment plans if such services are reimbursed directly or indirectly (such as through a PPS or a bundled payment) by a Federal health care program, even if the individuals do not furnish direct care to Federal program beneficiaries;
- ❖ Services performed by excluded pharmacists or other excluded individuals who input prescription information for pharmacy billing or who are involved in any way in filling prescriptions for drugs reimbursed, directly or indirectly, by any Federal health care program;
- ❖ Services performed by excluded ambulance drivers, dispatchers and other employees involved in providing transportation reimbursed by a Federal health care program, to hospital patients or nursing home residents;
- ❖ Services performed for program beneficiaries by excluded individuals who sell, deliver or refill orders for medical devices or equipment being reimbursed by a Federal health care program;
- ❖ Services performed by excluded social workers who are employed by health care entities to provide services to Federal program beneficiaries, and whose services are reimbursed, directly or indirectly, by a Federal health care program;
- ❖ Administrative services, including the processing of claims for payment, performed for a Medicare intermediary or carrier, or a Medicaid fiscal agent, by an excluded individual;
- ❖ Services performed by an excluded administrator, billing agent, accountant, claims processor or utilization reviewer that are related to and reimbursed, directly or indirectly, by a Federal health care program;
- ❖ Items or services provided to a program beneficiary by an excluded individual who works for an entity that has a contractual agreement with, and is paid by, a Federal health care program; and
- ❖ Items or equipment sold by an excluded manufacturer or supplier, used in the care or treatment of beneficiaries and reimbursed, directly or indirectly, by a Federal health care program.

UPDATED

Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs

Issued May 8, 2013



U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Iowa Department of
INSPECTIONS, APPEALS & LICENSING

Medicaid Provider Fraud



Medicaid Provider Fraud

► Report Medicaid Provider Fraud:

<https://hhs.iowa.gov/report-abuse-fraud>

The screenshot shows the Iowa Health & Human Services website. The header includes the IOWA logo and the text 'Health & Human Services'. A search bar is located to the right of the header. Below the header is a navigation menu with the following items: Assistance Programs, Medicaid, Health & Prevention, Family & Community, Report Abuse & Fraud, and About. The main content area features a large teal banner with the text 'Report Abuse & Fraud'. Below the banner, there is a section titled 'On this page...' which lists several links: Child and Dependent Adult Abuse, Member Fraud, Provider Fraud, CSBG, LIHEAP, WAP, WIC Participant or Vendor, Child Care Complaints, Nursing Home and Home Health, and Specialty Care Facility Non-Abuse or Neglect Complaints. To the right of the main content area, there is a sidebar with a 'Home' link and a 'Report Abuse & Fraud' link, followed by a 'Mandatory Reporter Information' link.

Provider Fraud

Medicaid fraud occurs when a Medicaid provider knowingly makes, or causes to be made, a false or misleading statement or representation for use in obtaining reimbursement from the medical assistance program. This would include, but is not limited to, billing for services not provided, charging Medicaid more than the reasonable value of the services and providing services that were medically unnecessary.

Medicaid Program Integrity Unit

**Phone(s)
Toll-Free**

877-446-3787

Local Des Moines

515-256-4615

Medicaid Provider Fraud

- ▶ CMS 60-day Rule – 42 C.F.R. § 401.305 (Iowa Code § 685.2)
 - ▶ Requires overpayments to be returned within 60 days (with exceptions to allow providers to conduct “good faith investigations” into the overpayment(s))
 - ▶ Any identified overpayments not returned becomes a False Claim in accordance with the False Claims Act (federal and state) and the applicable civil penalties may apply
 - ▶ False Claims Act civil penalties as of 7/3/25 range from \$14,308 to \$28,619 per false claim
 - ▶ “...plus 3 times the amount of damages which the Government sustains because of the act...” (aka “treble damages”)

Medicaid Provider Fraud

CRIMINAL PROSECUTION

- ▶ Intent
- ▶ *Probable Cause* to charge
- ▶ *Beyond a Reasonable Doubt* to convict

CIVIL FALSE CLAIMS ACT (FCA)

- ▶ Knowledge
 - ▶ Actual Knowledge of false information
 - ▶ Deliberate Ignorance of the truth/falsity
 - ▶ Reckless Disregard of the truth/falsity
- ▶ *Preponderance of the Evidence*



Questions?



Contact Information

Medicaid Provider Fraud/ Dependent Adult Abuse

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