

# VIRGINIA MEDICAID FRAUD CONTROL UNIT

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## VIRGINIA MEDICAID FRAUD CONTROL UNIT RECEIVES PRESTIGIOUS DEPARTMENT OF HEALTH AND HUMAN SERVICES INSPECTOR GENERAL'S INTEGRITY AWARD

The MFCU won an award for “excellence in investigations” on the multi-state Small Smiles investigation. The MFCU team assigned to this case worked tirelessly and were subsequently honored with this award for their work on the case. The MFCU honorees include Lead Attorney and Assistant Attorney General **Lelia Beck** as well as Investigative Supervisor **Bob DeGroot**. This investigation involved a national chain of approximately sixty-eight dental clinics and

centers operating in twenty-two states and the District of Columbia. The investigation resulted in findings of egregious quality of care violations and related patient abuse of pediatric beneficiaries. In January 2010, a \$24 million dollar settlement agreement was entered with the Small Smiles parent company (FORBA) and a five-year Corporate Integrity Agreement was entered into that contains new and innovative quality of care and provisions.

## SPOTLIGHT CASE: BUSINESS OWNER INVESTIGATED, PROSECUTED AND SENTENCED FOR DEFRAUDING MEDICAID A SECOND TIME

Annette Fleming-McClatchey pled guilty on July 22, 2010 to a federal health care fraud charge in connection with a scheme to defraud the Virginia Medicaid Program. In October 2010, she was sentenced to 60 months in prison for submitting false and fraudulent claims for reimbursement to the Virginia Medicaid Program. Fleming-McClatchey was the owner and operator of Professional Health-care Group, a Medicaid contracted provider of home health

care services in Woodbridge, VA. Fleming-McClatchey falsely billed Medicaid for home health care services purportedly provided to Medicaid recipients, when no services were actually provided. Fleming-McClatchey had previously pled guilty in 2008 to another charge of defrauding Medicaid. Along with serving 60 months in prison, Fleming-McClatchey has been ordered to pay

\$774,763.44 in restitution to Medicaid. This case was investigated by the Virginia Attorney General's Office's Senior Auditor Eda Montgomery and the FBI and prosecuted by Assistant Attorney General Steven W. Grist and the U.S. Attorney's Office.



If you suspect that Medicaid fraud or abuse, neglect or exploitation has occurred in a Medicaid facility or has been committed by someone working for a Medicaid provider, immediately report the incident to the Medicaid Fraud Control Unit (MFCU) of the Office of the Virginia Attorney General at

**1-800-371-0824 or  
804-371-0779.**

## A LITTLE HISTORY ABOUT MFCU

**1981.** The Virginia General Assembly enacted Virginia Code to regulate medical assistance in the Commonwealth that authorizes criminal sanctions for specific acts of Medicaid Fraud and Abuse.

**1982.** The United States Department of Health and Human Services formally designated and certified the Virginia MFCU as an integral part of the nationwide effort to deter fraud and the misapplication of funds by

health care providers enrolled in the Commonwealth's Medical Assistance Program, which is administered by the Virginia Department of Medical Assistance Services.

**2007.** The Unit successfully proposes legislation to elevate the penalty for abuse or neglect of an incapacitated adult that resulted in death to a Class 3 felony.

**2008.** MFCU was named the number one MFCU in the Country by the

United States Department of Health and Human Services, Office of Inspector General. The MFCU is proud to be among the nation's leaders in combating fraud in the Medicaid

Program.

**2009-2010.** The MFCU achieved its fourth most successful year since its inception and obtained convictions of 13 health care providers in state and federal courts, with **\$25,390,576.21** of restitution ordered to be paid to Medicaid.



“The outstanding performance of the MFCU is attributable to a team effort, including other local, state and federal agencies.”

Attorney General  
Kenneth T. Cuccinelli, II

## REPORT MEDICAID FRAUD AND PATIENT OR ELDER ABUSE

### VIRGINIA ATTORNEY GENERAL'S OFFICE

Attention: Medicaid Fraud Control Unit

900 East Main Street

Richmond, Virginia 23219

Phone: 1-800-371-0824

or 804-371-0779

Fax: 804-786-3509

E-mail: [MFCU\\_mail@oag.state.va.us](mailto:MFCU_mail@oag.state.va.us)

## What if you suspect fraud by a Medicaid Recipient?

### What can you do if you suspect fraud by a Medicaid recipient?

Please contact the Department of Medical Assistance Services (DMAS).

Recipient fraud can include:

- \*the deliberate failure to report income or to disclose resources
- \*unreported change in household member composition
- \*uncompensated asset transfer
- \*Medicaid card sharing, prescription fraud and drug diversion

Non-fraud examples are:

- \*eligibility errors due to recipient misunderstanding
- \*agency errors

\*when Medicaid-covered services continue during the appeal process and the agency's cancellation action is upheld

When the investigation confirms that an individual received Medicaid services fraudulently, the claims paid on the recipient's behalf are determined and the overpayment amount is identified. Recipient fraud cases can be prosecuted by the local Commonwealth's Attorney's Office or in Federal court when joint investigations are involved.

### To Report Recipient Fraud, Contact DMAS:

**By telephone:** 1-866-486-1971 or (804) 786-1066

**By mail:**  
Department of Medical Assistance Services  
Recipient Audit Unit  
600 East Broad Street  
Suite 1300  
Richmond, Virginia 23219

**By e-mail:**  
[RecipientFraud@DMAS.virginia.gov](mailto:RecipientFraud@DMAS.virginia.gov)



Virginia Attorney General  
Kenneth T. Cuccinelli, II

For more information, or additional copies, or to receive quarterly copies of this newsletter,

please contact:

Esther Welch Anderson  
Administrative, Training and Outreach Manager  
Medicaid Fraud Control Unit  
Virginia Attorney General's Office  
900 East Main Street  
Richmond, VA 23219  
1-800-371-0824  
or (804) 692-0519  
ewelch@oag.state.va.us

**We are on the  
web:  
[www.vaag.com](http://www.vaag.com)**