

# State continues crackdown on Medicaid fraud

By [Kate McPherson](#) 11:22 PM July 28, 2014

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Medicaid fraud costs the state of Alaska \$45 million a year, and that's just a conservative estimate according to Andrew Peterson, assistant attorney general and director of Alaska's Medicaid Control Fraud Unit. The FBI says up to 10 percent of claims made to Medicaid are fraudulent.

Peterson is currently prosecuting the case of Anchorage physician Dr. Shubhranjan Ghosh, [who's accused](#) of fraudulently billing Medicaid for hundreds of thousands of dollars.

Ghosh is a high-profile case, but there are many cases involving smaller amounts of money that state investigators are turning their attention to. Many of those cases involve a personal care assistant (PCA), who is hired to provide health care and other help in the homes of the elderly and vulnerable adults.

"Medicaid operates essentially in this arena on a system of trust," Peterson said.

PCAs fill out time sheets and submit them to a PCA agency, which then sends it to Medicaid. Operating on trust means there's plenty of room for people to be dishonest on their times sheets about hours worked and services provided, especially if the client is a family member.

"The difficulty there in proving that fraud is this service [that] happens in the home, one family member to another, and it's difficult to encourage individuals to report on their own family members or indicate they aren't receiving a service that they should," Peterson said.

In October 2012, the state allocated more money and personnel toward investigating Medicaid fraud. Since then, the Medicaid Control Fraud Unit has overseen 56 convictions. Peterson says it's a joint effort with multiple agencies and law enforcement involved in gathering the evidence needed for a successful prosecution.

Peterson can't confirm if fraud is increasing, but he can confirm that the cost of health care is going up – specifically in the home health care arena.

"Just a few years back it was about \$60 million a year in cost to the state of Alaska; it's currently \$160 million a year," he said.

The Department of Health and Social Services (DHSS) has announced it's going to pilot an electronic visit verification and monitoring system. The system will verify the in-home visit of a PCA.

"The PCA that goes into a home has to make a phone call in to say that they are there and providing a service and that's how it would work into the time sheet," said Lynne Keilman-Cruz, chief of quality with the DHSS' Senior Disability Services.

Keilman-Cruz says even though there are still ways to cheat the system, the electronic visit verification system will discourage fraud. She's seen it work in other states, she said.

The DHSS also has the power to suspend Medicaid payments while investigations are ongoing. Just in the last two months, Mat-Su Activity and Respite Center, along with Anchorage-based agency A Loving Care PCA, [were suspended](#) from billing Medicaid while allegations of fraud are investigated. People who rely on them have been notified and given a list of other providers.

<http://www.ktva.com/state-continues-crackdown-on-medicaid-fraud-988/>

When a PCA or agency is charged, it's up to the DHSS to make sure vulnerable clients aren't left without care.

"We work together to triage to make sure the people with higher needs get into services in a timely manner," Keilman-Cruz said.

There is currently a moratorium on new PCA agencies in Alaska to allow investigations to be completed and regulations to be reviewed.