



July 9, 2013

Twenty-Nine Anchorage Based Personal Care Attendants and Medicaid Recipients Charged for Medical Assistance Fraud

On July 9, 2013, the Medicaid Fraud Control Unit (MFCU) in the Alaska Department of Law announced the filing of criminal charges against 29 Anchorage based personal care attendants (PCA) and Medicaid recipients as part of an ongoing state and federal investigation into medical assistance fraud by employees of Good Faith Services, LLC (Good Faith), PCAs and Medicaid recipients receiving services from Good Faith. The following state and federal agencies collaborated on the investigation: the Anchorage Police Department; investigators with the Department of Commerce; agents with the Department of Health and Human Services, Office of Inspector General; the Social Security Administration; the Federal Bureau of Investigation; and Immigration and Customs Enforcement, Homeland Security Investigations.

The investigation was initiated based on information received by Alaska Department of Health and Social Services (DHSS) staff alleging that Good Faith employees were not providing care to Medicaid recipients living in Chugach Manor and Chugach View Apartments. The initial review of the PCAs working for Good Faith revealed that numerous PCAs were making over \$100,000 a year and one PCA made over \$275,000 in two years.

Good Faith is a personal care agency that provides Medicaid personal care, transportation and care coordination services to eligible Medicaid recipients. PCAs are licensed and registered healthcare providers that Medicaid pays to provide home-based care services for Medicaid recipients in the recipient's home as opposed to a nursing home type setting. Personal care agencies are paid approximately \$24 per hour for providing PCA services and federal law requires that the agency pay the PCA at least \$12 per hour.

According to the charging documents, the State's investigation uncovered a number of fraudulent schemes being committed by Good Faith employees and PCAs working for Good Faith and other agencies that resulted in billing Medicaid for PCA services that were not provided. The alleged schemes included conduct such as billing Medicaid for PCA services while the provider or recipient was traveling out of the country, billing for overlapping time, billing for services not provided, and splitting funds between the PCA and Medicaid recipient for fraudulently billed services.

The State's charging documents allege that the 29 charged cases resulted in Medicaid paying over \$362,000 for fraudulently billed PCA services. The charging documents allege that 27 of the PCAs were associated with Good Faith and responsible for Medicaid paying over \$346,000 for fraudulently billed PCA services.

The State of Alaska, Department of Health and Social Services issued a Notice of Medicaid Sanction on July 9, 2013, which resulted in the Alaska Medicaid program immediately suspending all of the charged PCAs from participation in the Alaska Medicaid program pending the outcome of the charges levied against each of the PCAs.

The information filed against each defendant is only a charging document and is not evidence of guilt. A defendant is presumed innocent and is entitled to a trial at which time the government must prove guilt beyond a reasonable doubt.

The Alaska MFCU is part of the Alaska Attorney General's Office. The MFCU is responsible for investigating and prosecuting Medicaid fraud and abuse, neglect or financial exploitations of patients in any facility that accepts Medicaid funds. The information filed by the Department of Law can be found on the MFCU website at <http://www.law.alaska.gov/department/criminal/mfcu.html>.

Call 1-800-HHS-TIPS (1-800-447-8477) or 1-907-269-6279 to report Medicaid fraud or report online at <http://www.law.alaska.gov/pdf/criminal/MedicaidFraud.pdf>.

CONTACT: Assistant Attorney General Andrew Peterson at 907-269-6292. For more information about the recently charged cases or other cases handled by the Alaska MFCU, go to <http://www.law.alaska.gov/department/criminal/mfcu.html>.