

MARCH 2024

COMPLIANCE CONNECTION



This newsletter is prepared monthly by the Midland Health Compliance Department and is intended to provide relevant compliance issues and hot topics.

IN THIS ISSUE

FEATURE ARTICLE

Six Men Sentenced for Roles in \$20M COVID-19 Relief Fraud Ring

Midland Health PolicyTech

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FRAUD & ABUSE LAWS EXAMPLES

The five most important Federal Fraud and Abuse Laws that apply to physicians are:

- 1. False Claims Act (FCA):** A physician knowingly submits claims to Medicare for medical services not provided or for a higher level of medical services than actually provided.
- 2. Anti-Kickback Statute (AKS):** A provider receives cash or below-fair-market-value rent for medical office space in exchange for referrals.
- 3. Physician Self-Referral Law (Stark law):** A physician refers a beneficiary for a designated health service to a clinic where the physician has an investment interest.
- 4. Exclusion Authorities:** Several doctors and medical clinics conspire in a coordinated scheme to defraud the Medicare Program by submitting medically unnecessary claims for power wheelchairs.
- 5. Civil Monetary Penalty Law (CMPL):** Includes making false statements or misrepresentations on applications or contracts to participate in the Federal health care programs.

Resource:

<https://oig.hhs.gov/compliance/physician-education/fraud-abuse-laws/>



MIDLAND HEALTH

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Six Men Sentenced for Roles in \$20M COVID-19 Relief Fraud Ring



Six Texas men were sentenced today for their roles in a conspiracy to fraudulently obtain more than \$20 million in forgivable Paycheck Protection Program (PPP) loans that the Small Business Administration (SBA) guaranteed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Hamza Abbas, 31, Ammas Uddin, 31, and Arham Uddin, 27, all of Richmond, were sentenced to three years and eight months, one year and six months, and one year and six months in prison, respectively; Syed Ali, 55, of Sugar Land, was sentenced to two years in prison; and Muhammad Anis, 55, and Jesus Acosta Perez, 33, both of Houston, were sentenced to one year and nine months and one year and one day in prison, respectively. All six defendants previously pleaded guilty.

According to court documents, the defendants conspired together and with others to fraudulently obtain PPP loans by, among other means, supplying information about their businesses to be used to submit false and fraudulent PPP loan applications. Specifically, the PPP loan applications falsified the numbers of employees and the average monthly payroll expenses of the applicant businesses. The loan applications also included fraudulent bank records and fake federal tax forms in support of the PPP loan applications. Abbas also recruited others into the conspiracy and created fraudulent bank records that were used in support of the loan applications in exchange for kickbacks.

The defendants also laundered a portion of the fraudulent proceeds by writing checks from companies that received PPP loans to fake employees. These fake paychecks were cashed at certain cash checking businesses, including one owned by another co-conspirator.

In January, three other individuals who previously pleaded guilty were sentenced for their roles in the loan fraud scheme. Raheel Malik, 43, of Sugar Land, was sentenced to one year and six months in prison; Nishant Patel, 41, of Houston, was sentenced to two years in prison; and Harjeet Singh, 50, of Katy, was sentenced to five years of probation.

Read entire article:

<https://www.justice.gov/opa/pr/six-men-sentenced-roles-20m-covid-19-relief-fraud-ring>



MIDLAND HEALTH Compliance HOTLINE

855-662-SAFE (7233)

ID#: 6874433130

ID# is required to submit a report.

You can make your report or concern ANONYMOUSLY.



MIDLAND
HEALTH



HIPAA Section 13: Receiving and Resolving Complaints

POLICY

MIDLAND MEMORIAL HOSPITAL shall have a process by which any person can make a complaint to MIDLAND MEMORIAL HOSPITAL or the Secretary of the Department of Health and Human Services ("Secretary") regarding MIDLAND MEMORIAL HOSPITAL's privacy policies, procedures, and/or practices, as well as MIDLAND MEMORIAL HOSPITAL's compliance with its privacy policies and procedures and the Privacy Standards. MIDLAND MEMORIAL HOSPITAL employees whose responsibilities include receiving and/or responding to complaints shall be familiar with this policy and shall follow these procedures.

PROCEDURE

Designation of Contact Person. All complaints will be forwarded to the Privacy Officer in accord with HIPAA Section 2: Privacy Officer. The Privacy Officer will be responsible for receiving complaints relating to: (a) privacy policies, procedures, and/or practices; (b) compliance with its policies and procedures; and (c) compliance with the Privacy Standards. The Privacy Officer's responsibilities also include investigating and resolving complaints, as well as providing information to persons who request additional information about matters addressed in the Notice of Privacy Practices ("Notice").

Inform Persons of Their Right To Complain. In accordance with HIPAA Section 4.1: Notice, the Notice shall inform persons that they may complain to MIDLAND MEMORIAL HOSPITAL and/or to the Secretary if they believe their privacy rights have been violated. The Notice shall identify the Privacy Officer or office for receiving complaints and give a brief description of how the person may file a complaint with MIDLAND MEMORIAL HOSPITAL. The Notice shall also contain a statement that the person will not be retaliated against for filing a complaint.

Read entire Policy: Midland Health PolicyTech #2935
"HIPAA Section 13: Receiving and Resolving Complaints"

Midland Health PolicyTech Instructions

Click this link located on the Midland Health intranet "Policies"

<https://midland.policytech.com/dotNet/noAuth/login.aspx?ReturnUrl=%2f>



IN OTHER COMPLIANCE NEWS

LINK 1

CMS Updates Policy to Allow Texting Patient Information and Patient Orders

<https://www.hipaajournal.com/cms-updated-policy-texting-patient-information-orders/>

LINK 3

Integris Health Confirms 2.39 Million Individuals Affected by Cyberattack

<https://www.hipaajournal.com/integris-health-data-breach/>

LINK 2

What are the Penalties for HIPAA Violations?

<https://www.hipaajournal.com/what-are-the-penalties-for-hipaa-violations-7096/>

LINK 4

Azura Vascular Care Reports Data Breach Affecting 348,000 Patients

<https://www.hipaajournal.com/azura-vascular-care-reports-data-breach-affecting-348000-patients/>

HIPAA VIOLATION

Malicious Insider Incident at Montefiore Medical Center Results in \$4.75 Million HIPAA Penalty

The Department of Health and Human Services (HHS) Office for Civil Rights (OCR) has announced its first financial penalty of the year to resolve alleged violations of the Health Insurance Portability and Accountability Act (HIPAA). Montefiore Medical Center has agreed to settle the investigation and has paid a \$4.75 million penalty to resolve the alleged HIPAA violations. With this one penalty, OCR has already exceeded its total collections from its HIPAA enforcement actions in 2023 and this is the largest financial penalty to be imposed by OCR since January 2021's \$5.1 million penalty for Excellus Health Plan.

Like the Excellus investigation, OCR uncovered multiple failures to comply with the HIPAA Security Rule; however, the Excellus investigation was in response to a breach of the PHI of 9.35 million individuals. Montefiore Medical Center's penalty stemmed from a report of a breach of the PHI of 12,517 patients. The scale of a data breach is taken into consideration by OCR when determining an appropriate penalty, but it is the nature of the underlying HIPAA violations that has the biggest impact on the size of a penalty, and Montefiore Medical Center's HIPAA violations were deemed to be severe.

Montefiore Medical Center, a non-profit hospital system based in New York City, was notified by the New York Police Department in May 2015 that evidence had been uncovered of criminal HIPAA violations at the medical center. A patient's protected health information had been stolen by an employee. An investigation was launched which revealed the employee had unlawfully accessed the medical records of 12,517 patients, copied their information, and sold the information to identity thieves. The former employee had been accessing the records without authorization for 6 months between January 1, 2013, and June 30, 2013.

Read entire article:

<https://www.hipaajournal.com/montefiore-medical-center-malicious-insider-hipaa-penalty/>

MEDICARE FRAUD SCHEME

Serial Health Care Fraudster Sentenced for \$234M Medicare Fraud Scheme



A California man was sentenced today to 10 years in prison for conspiring to conceal his involvement in operating a laboratory and billing Medicare approximately \$234 million for various lab tests, including COVID-19 and respiratory pathogen panel tests, despite his decades-long exclusion from the Medicare program.

"Criminals who cheat federal health programs and profit at the expense of American taxpayers will be met with the full force of the Justice Department," said Attorney General Merrick B. Garland. "As our country was battling the COVID-19 pandemic, this individual was fraudulently billing Medicare for hundreds of millions of dollars. Today, thanks to the work of the Justice Department's Criminal Division, he will now spend 10 years in federal prison for his crimes. We will continue to disrupt schemes that defraud the federal health programs the American people rely on, and we will hold accountable those who perpetrate those schemes."

According to court documents, Imran Shams, 65, of Glendale, was convicted of Medicare and Medicaid fraud in separate 1990 and 2001 cases in New York and California, respectively.

Read entire article:

<https://www.justice.gov/opa/pr/serial-health-care-fraudster-sentenced-234m-medicare-fraud-scheme>



Do you have a hot topic or interesting Compliance News to report?

If so, please email an article or news link to:

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