

COMPLIANCE CONNECTION

Newsletter

JANUARY 2026

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

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FRAUD & ABUSE LAWS

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

1. False Claims Act (FCA): The civil FCA protects the Government from being overcharged or sold shoddy goods or services. It is illegal to submit claims for payment to Medicare or Medicaid that you know or should know are false or fraudulent.

2. Anti-Kickback Statute (AKS): The AKS is a criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the Federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients).

3. Physician Self-Referral Law (Stark law): The Physician Self-Referral Law, commonly referred to as the Stark law, prohibits physicians from referring patients to receive "designated health services" payable by Medicare or Medicaid from entities with which the physician or an immediate family member has a financial relationship, unless an exception applies.

4. Exclusion Statute: OIG is legally required to exclude from participation in all Federal health care programs individuals and entities convicted of the following types of criminal offenses: (1) Medicare or Medicaid fraud; (2) patient abuse or neglect; (3) felony convictions for other health-care-related fraud, theft, or other financial misconduct; and (4) felony convictions for unlawful manufacture, distribution, prescription, or dispensing of controlled substances.

5. Civil Monetary Penalties Law (CMPL): OIG may seek civil monetary penalties and sometimes exclusion for a wide variety of conduct and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties range from \$10,000 to \$50,000 per violation.

Resource:

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



MIDLAND HEALTH

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OCR Reminds Regulated Entities of Obligation to Provide Parental Access to Children's Medical Records

The Department of Health and Human Services (HHS) Office for Civil Rights (OCR) has issued a "Dear Colleague" letter reminding HIPAA-regulated entities of their obligations under the HIPAA Privacy Rule to provide parents with full access to their minor children's medical records. OCR said it has become aware that there may be instances where the parents of minor children have been denied access to their children's medical records to the extent required by the HIPAA Privacy Rule.

The HIPAA Privacy Rule gives patients rights with respect to their protected health information (PHI). Individuals, or their personal representatives, must be provided with a copy of their medical records and other PHI in a designated record set on request. The same right usually applies to the parents or legal guardians of minor children.

"If under applicable law a parent, guardian, or other person acting in loco parentis has authority to act on behalf of an individual who is an unemancipated minor in making decisions related to health care, a covered entity must treat such person as a personal representative under [the HIPAA Rules], with respect to [PHI] relevant to such personal representation..." explained OCR director Paula M. Stannard in the Dear Colleague letter.

Parents usually have the right to make healthcare decisions about their minor children and are generally considered to be the personal representatives of their unemancipated minor children. As such, a parent can exercise their minor child's right to access PHI under the HIPAA Privacy Rule, except in limited circumstances.

OCR explained that there are only three narrow exceptions when a parent is not considered the personal representative of their minor child, and if any of these circumstances apply, then providing the parent with a copy or access to their minor child's PHI is not permitted and would be a HIPAA violation. Each of these three scenarios typically only applies to limited types of health care services, such as mental health care.

- When the child consents to health care, and the consent of the parent is not required under state or other applicable law.
- When the child obtains health care at the direction of a court, or a person appointed by the court.

In these two scenarios, the parent is not considered to be the child's personal representative with respect to that specific health care.

Read entire article:

<https://www.hipaajournal.com/ocr-hipaa-obligations-parental-access-minor-childrens-medical-records/>

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.



**HIPAA Section 10.3: Physical Safeguards****POLICY**

It is the policy of Midland Memorial Hospital to employ physical safeguards to maintain the privacy of PHI in compliance with the standards, implementation guidelines or other requirements of the HIPAA Privacy and Security Rules. The Information Security Officer shall determine which Midland Memorial Hospital workforce members shall be required to read and attest in writing that they understand this policy and who shall follow these procedures. All workforce members who have access to PHI shall be familiar with this policy and shall follow these procedures.

PHYSICAL SAFEGUARDS**PROCEDURE**

It Facility Access Controls. Midland Memorial Hospital implements policies and procedures to limit physical access to its PHI and the facility or facilities in which PHI is housed, while ensuring that properly authorized access is allowed.

- a. Facility Security Plan. (Addressable according to the Security Rules.) Midland Memorial Hospital implements the following procedures to safeguard the facility and the equipment therein from unauthorized physical access, tampering and theft.
 - Midland Memorial Hospital security routinely patrol all Midland Memorial Hospital facilities to ensure that locked doors remain locked and that facilities remain generally secure.
 - Midland Memorial Hospital keeps its facilities secure from unauthorized access by requiring all employees and subcontractors to use identification badges and by requiring all contractors to sign in and out.
- b. Access Control and Validation Procedures. (Addressable according to the Security Rules.) Midland Memorial Hospital implements the following procedures to control and validate a person's access to facilities
 - Midland Memorial Hospital shall issue identification badges to employees and subcontractors.
 - Midland Memorial Hospital's computer systems are not accessible without user ids and passwords.
 - Midland Memorial Hospital shall entrust certain individuals to maintain keys to the locked room or file cabinets where records containing PHI are stored.

*Read entire Policy:**Midland Health PolicyTech #6541 – "Code of Conduct for Medical Staff & Practitioners"***Midland Health PolicyTech Instructions**

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

<https://midland.policytech.com/dotNet/noAuth/login.aspx?ReturnUrl=%2F>**LINK 1**

Mississippi Businessman Pleads Guilty to \$19M Health Care Fraud Conspiracy

<https://www.justice.gov/opa/pr/mississippi-businessman-pleads-guilty-19m-health-care-fraud-conspiracy>

LINK 3

Four California Residents Sentenced to Prison in Connection with \$16M Hospice Fraud and Money Laundering Scheme

<https://www.justice.gov/opa/pr/our-california-residents-sentenced-prison-connection-16m-hospice-fraud-and-money-laundering>

LINK 2

Pharmacist and Brother Sentenced to Prison for \$15M Health Care and Wire Fraud Scheme

<https://www.justice.gov/opa/pr/pharmacist-and-brother-sentenced-prison-15m-health-care-and-wire-fraud-scheme>

LINK 4

Over 100 Hospital Systems and Provider Associations Call for Withdrawal of Proposed HIPAA Security Rule Update

<https://www.hipaajournal.com/hospitals-provider-associations-withdraw-hipaa-security-rule-update/>

FALSE CLAIMS ACT (FCA)**Vohra Wound Physicians and its Owner Agree to Pay \$45M to Settle Fraud Allegations of Overbilling for Wound Care Services**

Dr. Ameet Vohra and his companies, including Vohra Wound Physicians Management LLC (Vohra), have agreed to pay \$45 million to resolve allegations that they violated the False Claims Act by knowingly causing the submission of claims to Medicare for medically unnecessary surgical procedures, for more lucrative surgical procedures when only routine non-surgical wound management had been done, and for evaluation and management services that were not billable under Medicare coverage and coding rules.

Vohra is one of the nation's largest providers of bedside specialty wound care for patients in nursing homes and skilled nursing facilities. In April 2025, the United States filed a lawsuit alleging that Vohra engaged in a nationwide scheme to bill Medicare for surgical excisional debridement procedures that were either not medically necessary or had not been performed. In its complaint, the United States alleged that Vohra pressured, trained, and provided financial incentives for Vohra physicians to perform debridement procedures during as many patient visits as possible regardless of the patients' needs. Furthermore, it did not matter which kind of debridement a Vohra physician performed because Vohra allegedly programmed its electronic health record and billing software to ensure that Medicare was always billed for the higher-reimbursed surgical excisional procedure and to create false medical record documentation to support the scheme. Finally, the United States alleged that this widespread scheme was orchestrated by Dr. Vohra and implemented by his senior management team.

"Providers that manipulate electronic health records systems to drive inappropriate utilization or billing of Medicare services undermine the integrity of the Medicare program and waste taxpayer dollars," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "The Justice Department will hold accountable providers who prioritize their own enrichment over the medical needs of their patients."

Read entire article:<https://www.justice.gov/opa/pr/vohra-wound-physicians-and-its-owner-agree-pay-45m-settle-fraud-allegations-overbilling>**Aesculap Implant Systems Agrees to Pay \$38.5M to Resolve False Claims Act Allegations Related to Knee Implant Failures and Enters into a Non-Prosecution Agreement Related to the Introduction of Two Adulterated Medical Devices into Interstate Commerce**

Medical device company Aesculap Implant Systems LLC (Aesculap), based in Center Valley, Pennsylvania, has agreed to pay \$38.5 million to resolve allegations under the False Claims Act that the company sold knee replacement devices that it knew would fail prematurely at a higher than acceptable rate, resulting in false claims to Medicare and Medicaid. The settlement further resolves allegations that the company paid unlawful remuneration to a physician to induce him to use the knee implants. Additionally, Aesculap agreed to a non-prosecution agreement with the United States in connection with its distribution of two medical devices without the required clearance from the U.S. Food and Drug Administration (FDA).

"Medical device failures — and their potential to harm patients — are of paramount concern to the Department of Justice," said Assistant Attorney General Brett A. Shumate of the Justice Department's Civil Division. "The Department will hold accountable medical device companies that knowingly sell products prone to failure that present risks to patients and waste taxpayer dollars."

Read entire article:<https://www.justice.gov/opa/pr/aesculap-implant-systems-agrees-pay-385m-resolve-false-claims-act-allegations-related-knee>

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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