

COMPLIANCE CONNECTION SEPTEMBER 2025

Compliance

Regulations

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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Florida Man Admits Role in \$4.8 Million Health Care Fraud and Kickback Scheme

A Florida man admitted his role in a health care fraud and kickback scheme that caused more than \$4.8 million in losses to Medicare, United States Attorney Alina Habba announced.

Charles P. Kasbee, Jr., 48, of Palm Beach Shores, Florida, pleaded guilty before U.S. District Judge Michael E. Farbiarz in Newark to an Information charging him with one count of conspiracy to commit health care fraud and one count of conspiracy to violate the federal Anti-Kickback Statute.

According to documents filed in the case and statements made in court:

From February 2019 to September 2019, Kasbee and his co-conspirators participated in a scheme to submit claims to Medicare for medically unnecessary cancer genetic screening (CGX) tests that were procured through a web of bribes and kickbacks. Kasbee utilized the services of marketing call centers, which employed deceptive telemarketing techniques to obtain Medicare beneficiaries' personal and medical information. Then, Kasbee and others arranged for CGX testing kits to be sent to the identified beneficiaries. Once the CGX test kits were completed by the beneficiaries, the kits were shipped to a testing laboratory, which submitted claims for reimbursement to Medicare. Kasbee received kickback payments exceeding \$1,200 for each CGX test resulting in Medicare reimbursement.

To conceal the scheme, Kasbee entered into contracts with his co-conspirators that falsely labeled kickback and bribe payments as "expenses." Then, Kasbee and his co-conspirators created false invoices that disguised the true reasons for the kickback and bribe payments. Instead, Kasbee received payments based solely on the number of CGX tests that Medicare reimbursed, in violation of the federal Anti-Kickback Statute.

As a result of the health care fraud and kickback scheme, Kasbee and his co-conspirators caused a loss to Medicare of more than \$4.8 million.

Conspiracy to commit health care fraud carries a maximum potential penalty of 10 years in prison and a \$250,000 fine. Conspiracy to violate the federal Anti-Kickback Statute carries a maximum potential penalty of five years in prison and a \$250,000 fine. Sentencing is scheduled for November 19, 2025.

U.S. Attorney Habba credited special agents of the FBI, under the direction of Special Agent in Charge Stefanie Roddy in Newark; the Department of Health and Human Services-Office of Inspector General, under the direction of Special Agent in Charge Naomi Gruchacz; the U.S. Department of Defense, Office of the Inspector General, Defense Criminal Investigative Service, under the direction of Acting Special Agent in Charge Christopher Silvestro; and the U.S. Department of Veterans Affairs Office of Inspector General, under the direction of Special Agent in Charge Christopher F. Algieri with the investigation leading to the charge.

The government is represented by Assistant U.S. Attorney Garrett J. Schuman of the Health Care Fraud and Opioid Enforcement Unit.

Resource:

<https://www.justice.gov/usao-nj/pr/florida-man-admits-role-48-million-health-care-fraud-and-kickback-scheme>



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 6.23: E-mail and Text Message Communications

POLICY

MIDLAND MEMORIAL HOSPITAL and its workforce members may not communicate with patients and business associates via e-mail or text message outside of the MIDLAND MEMORIAL HOSPITAL e-mail system, if Protected Health Information (PHI) is included in that communication. Workforce members may communicate with other health care providers for treatment, payment, or health care operations purposes (as defined by HIPAA), if it is done in a secured manner as required by HIPAA and in accordance with MIDLAND MEMORIAL HOSPITAL policy (or, MIDLAND MEMORIAL HOSPITAL has written authorization from the patient for the release of the PHI). Permitted e-mail or text message communication shall be in accordance with the procedures set forth below and other safeguards implemented in this policy. MIDLAND MEMORIAL HOSPITAL workforce members with an e-mail account, access to approved text messaging application software, or access to a wireless device enabled with approved text messaging capabilities shall be familiar with this policy and shall follow these procedures when disclosing PHI via permitted e-mail or text message. Transmitting PHI via e-mail or text message other than as permitted herein is expressly prohibited, unless pre-approved by the Privacy Officer. This policy will establish guidelines for appropriate destruction of protected health information.

PROCEDURE

Safeguards. MIDLAND MEMORIAL HOSPITAL workforce members and medical staff may communicate with patients via hospital e-mail or text message or, in certain situations, with third parties via e-mail or text message with patient authorization, as described in Section 2 below, if appropriate safeguards are in place to protect a patient's PHI. The Information Technology (IT) Department shall be responsible for implementing technical safeguards to protect the security of e-mail and text message communication and training Users with respect to the use of such technical safeguards. MIDLAND MEMORIAL HOSPITAL shall also implement manual or administrative procedures, such as verifying e-mail addresses, requiring user account authentication prior to accessing text messaging applications and training workforce members on how to help safeguard PHI transmitted via e-mail or text message. MIDLAND MEMORIAL HOSPITAL workforce members shall be responsible for understanding and using required safeguards when they transmit PHI via hospital e-mail or text message.

Read entire Policy #2915:

"HIPAA Section 6.23: E-mail and Text Message Communications"

Midland Health PolicyTech Instructions

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

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

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pulse



MIDLAND HEALTH

CERNER **POLICIES** NEWS RESOURCES DAYFORCE OFFICE365 DEPARTMENT PHONE LIST

IN OTHER COMPLIANCE NEWS

LINK 1

OCR Announces Limited Waiver of HIPAA Sanctions & Penalties in Texas

<https://www.hipaajournal.com/ocr-limited-waiver-hipaa-sanctions-penalties-texas-2025/>

LINK 3

Texas Gastroenterology Clinic Falls Victim to Interlock Ransomware Attack

<https://www.hipaajournal.com/texas-gastroenterology-clinic-ransomware/>

LINK 2

Behavioral Healthcare Provider Settles HIPAA Risk Analysis Investigation for \$225,000

<https://www.hipaajournal.com/deer-oaks-behavioral-health-solution-hipaa-penalty/>

LINK 4

Bone & Joint Clinic Settles Ransomware Class Action Lawsuit for \$575,000

<https://www.hipaajournal.com/bone-joint-clinic-ransomware-data-breach-settlement/>

Chicago Lab Owner Sentenced to Seven Years in Prison in Connection with \$14M COVID-19 Fraud Scheme

The owner of a Chicago laboratory has been sentenced to seven years in prison for his role in a COVID-19 testing fraud scheme.

According to court documents, Zishan Alvi, 46, of Inverness, Ill., owned and operated a laboratory in Chicago that performed testing for COVID-19. In 2021 and 2022, Alvi caused claims to be submitted to the U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA) for COVID-19 tests that were either not performed at all or not performed correctly. As part of the scheme, the laboratory released negative test results to patients, even though the laboratory either had not tested the specimens or the results were inconclusive because Alvi had diluted the tests to save on costs, rendering the tests unreliable. Alvi knew that the laboratory was releasing negative results for tests that were not performed or were inconclusive but still caused the laboratory to bill HRSA for those tests. Alvi also lied to laboratory directors to conceal his fraud. As a result of the fraudulent claims, HRSA paid the laboratory more than \$14 million.

Alvi pleaded guilty to one count of wire fraud on September 30, 2024. At sentencing, he was also ordered to pay \$14,199,217 in restitution, and forfeit approximately \$6.8 million in cash, a 2021 Range Rover HSE, and over \$630,000 from an E-Trade account.

Matthew R. Galeotti, Head of the Justice Department's Criminal Division, U.S. Attorney Andrew S. Boutros for the Northern District of Illinois, Special Agent in Charge Douglas S. DePodesta of the FBI Chicago Field Office, and Deputy Inspector General for Investigations Christian J. Schrank, of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) made the announcement.

Read entire article:

<https://www.justice.gov/opa/pr/chicago-lab-owner-sentenced-seven-years-prison-connection-14m-covid-19-fraud-scheme>

Fugitive Physician Sentenced to Prison in Medicare Fraud Scheme

A California physician was sentenced in Los Angeles to 54 months in prison for health care fraud arising from her false home health certifications and related fraudulent billings to Medicare. She is a fugitive and was sentenced in absentia.

According to court documents, Lilit Gagikovna Baltaian, 61, of Porter Ranch, was a physician licensed to practice in California and an enrolled Medicare provider. From approximately January 2012 to July 2018, she falsely certified patients to receive home health care from at least four Los Angeles area home health agencies. These certifications were used by the home health agencies to fraudulently bill Medicare. In some instances, Baltaian pre-signed blank, undated physician certification forms knowing that the home health agencies would falsify the forms to make appear that she had seen the Medicare beneficiaries and made clinical findings to support the need for home health care, when she had done neither.

Baltaian received cash payments related to these referrals and also separately billed Medicare for signing the fraudulent certifications.

Read entire article:

<https://www.justice.gov/opa/pr/fugitive-physician-sentenced-prison-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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