

# COMPLIANCE TODAY



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A black and white portrait of a middle-aged man with short dark hair and round glasses. He is wearing a dark suit jacket, a light-colored dress shirt, and a dark patterned tie. He is smiling and looking directly at the camera. The background is a blurred bookshelf filled with books.

meet  
Jim Sheehan

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# Letter from the CEO

ROY SNELL

## Health care fraud, boom or bust?

Many people believe, (incorrectly, I might add) that the gold rush occurred in California. It actually occurred on the east coast. The deal in California was a rouse to get people off the east coast where it was too crowded. It, of course, is obvious to everyone now that the gold rush went bust in California and the east coast is repeatedly hitting major veins. The man responsible for this was a guy named Buckshot Sheehan. Buckshot wanted everyone to run off to California so that he could prosecute health care fraud cases on the east coast without a lot of competition. He figured that if everyone was out trying to make a few bucks in the rivers of California he could be getting millions out of health care on the east coast.

Although the rouse in California worked to perfection, the East Coast health care gold rush was very rough going. Instead of panning for gold in rivers, Buckshot Sheehan worked the medical record mines with CPT codes and quality of care indicators. It took years to perfect his panning techniques. He taught his son how to pan for health care fraud and his son taught his son. Unfortunately Buckshot was unable to see the fruits of his efforts. He died of heart failure while panning for Pediatric ICU CPT codes in Philly. Apparently it was just too complicated for the grizzly old miner. It wasn't until his grandson Jim Sheehan came along that they hit a major vein.

Jim Sheehan has health care fraud figured out. He knows where the best panning spots are along the river of reimbursement.

Jim has a different perspective on sharing than his grandfather Buckshot did. Jim is willing to teach anyone who is willing to listen about panning for health care fraud gold.

He was so successful that the Department of Justice hired hundreds of new miners. In the beginning the new agents found health care billing difficult to understand. However, they appear to be on top of it now. Many of the veins they started working on two and three years ago appear to be coming in and some of them appear to have hit major veins.

Up in Boston, Michael Loucks TAPped a major vein in the pharmaceutical industry and it appears there may be more. Loucks was just promoted to head of the U.S. Attorney for Massachusetts' fraud control unit and now directs a handful of health care fraud mining specialists.



Lately I have been hearing that health care fraud mining will soon go bust. Frankly, I have been hearing about the impending health care fraud bust for six years. But the gold keeps coming out of major health care institutions. Six years ago the lobbyists said they would stop the panning for health care fraud and abuse because it was ruining the environment. They failed to slow it down. Then came along defense attorneys who said that they could stop it. I have heard of some fraud mining that was stopped but most have been settled without a fight.

Although the Office of Inspector General has made decisions that will probably reduce the cost of CIA's, it doesn't appear to be slowing down the Department of Justice. We also see a number of State Attorneys General getting into the act. Check out the Minnesota State Attorney General's website where they describe in detail their recent big find. Third party payors have always had fraud units but they seem to have yet to come into their own. If they get their panning techniques down, look out. The Medicaid Fraud Control Unit just announced a new program in California that hopes to mine data more efficiently.

All the while, the settlements keep coming in. "NY REHAB SERVICES PROVIDER WILL REPAY NY MEDICAID \$275,000." "QUORUM HEALTH GROUP SUCCESSOR COMPANY AND SUBSIDIARY WILL PAY OVER \$400,000 TO SETTLE FRAUD CHARGES." On January 24, 2002, U.S. Attorney's Office for the Middle District of Florida announced that federal and state law enforcement agents began arresting eight defendants for their alleged involvement in a massive Medicare and Medicaid fraud scheme that netted over \$25.7 million. These settlements are current and still coming in at a feverous pace. Boom or Bust? I think old Buckshot Sheehan would say Boom. ■