MEDICAID FRAUD CONTROL DIVISION

ANNUAL REPORT

JULY 1, 2022 — JUNE 30, 2023

TENNESSEE BUREAU OF INVESTIGATION

MIKE COX, ASSISTANT DIRECTOR

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INTRODUCTION

As set out in 42 C.F.R. § 1007, Medicaid Fraud Control Units (MFCUs) investigate and prosecute Medicaid provider fraud, abuse and neglect of residents in healthcare facilities and board and care facilities, and abuse and neglect of Medicaid beneficiaries in noninstitutional or other settings. The units operate in each of the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. MFCUs employ teams of investigators, attorneys, and auditors, are single, identifiable entities, and are required to be separate and distinct from the State Medicaid agency. The U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) exercises oversight for the MFCUs, annually recertifies each MFCU, assesses each MFCU's performance and compliance with federal requirements and administers a federal grant award of 75% to fund each MFCU's operational costs.

The Tennessee MFCU was created in 1984 after then-Governor Lamar Alexander's issuance of Executive Order 47 on March 1, 1983, placing the responsibility for investigation and prosecution of Medicaid provider fraud and patient abuse with the Tennessee Bureau of Investigation (TBI). The responsibilities of Tennessee's MFCU are now set out in Tenn. Code Ann. § 71-5-2508. The MFCU was originally housed within the Criminal Investigation Division of TBI but grew steadily over the years to become its own division within TBI on July 1, 2019. It is now known as the Medicaid Fraud Control Division (MFCD).

While the majority of cases worked by the MFCD involve investigations of alleged criminal acts of fraud by Medicaid providers and are prosecuted in both state and federal courts, the Division has seen and been involved in an increasing number of civil fraud cases. Those civil cases may fall under the federal False Claims Act and/or the Tennessee Medicaid False Claims Act and have resulted in the state obtaining substantial penalties and damages. The federal and state false claims acts have become powerful tools in fighting healthcare fraud and have resulted in tens of millions of dollars in recoveries for the state of Tennessee. The MFCD also works patient abuse cases involving physical, sexual and financial abuse and neglect of individuals in both Medicaid-receiving facilities and board and care facilities, as well as allegations of abuse and neglect of Medicaid recipients in any setting (when related to the provision of Medicaid services).

Once again, the Tennessee MFCD has had a productive year. In Fiscal Year 2022-2023, the Division's work in the area of fraud resulted in 22 indictments, 7 convictions and the identification of over $40.2 million in overpayments, at a cost of approximately $1.8 million to the state of Tennessee. The MFCD opened 17 abuse and neglect cases, obtained 6 indictments and 4 convictions, and reported individuals to the Abuse Registry and licensing boards.

MFCD SIGNIFICANT EVENTS

1984 to Present

- 1984 – Creation of the MFCU by Governor Lamar Alexander's Executive Order 47
- 1994 – Implementation of TennCare, the state's Medicaid managed care program
- 1998 – Recognition of the Tennessee MFCU by HHS-OIG with the "*Inspector General's Unit of the Year Award*" for effectiveness and efficiency in combating fraud, patient abuse and neglect in the Medicaid program
- 2000 – Extension of MFCU jurisdiction to include investigations of patient abuse and neglect in non-Medicaid board and care facilities
- 2003 – Acquisition of the MFCU's mobile office, a unique and valuable investigative tool which enabled the MFCU to more efficiently and effectively conduct office reviews and search warrants
- 2004 – Codification of the MFCU at T.C.A. § 71-5-2508 as part of the "TennCare Fraud and Abuse Act of 2004," which also created a separate Office of Inspector General (to address TennCare recipient fraud) and greatly strengthened state Medicaid fraud laws
- 2004 – Recognition of the "*National Case of the Year*" by the National Health Care Anti-Fraud Association for a case against a Tennessee provider worked by the MFCU and federal partners
- 2005 – Recognition of the Tennessee MFCU by HHS-OIG with the "*Inspector General's Unit of the Year Award*" for the second time
- 2012 – Renovation, purchase and installation of smart technology in the mobile office and other critical fraud detection tools, such as iPads and pole cameras
- 2015 – Acquisition of the MFCU's state of the art Medicaid server with off-site backup capability to accommodate the ever-increasing data needs and to provide safety, security and storage
- 2017 – Acquisition of a new mobile office with updated smart technology
- 2019 – Creation of a stand-alone division within the TBI with the addition of 26 new positions (agents, attorneys and nurses) for a total of 64 approved positions to combat provider fraud and patient abuse and neglect
- 2020 – Expansion of MFCU authority through federal law to allow MFCUs to review complaints of abuse and neglect of Medicaid recipients residing in any setting, if related to the provision of Medicaid services
- 2023 – Amendment of T.C.A. § 71-5-2508 to reflect the MFCD's expanded authority

**In addition, numerous awards have been presented over the years to multiple Tennessee MFCD employees by the United States Department of Justice, the U.S. Attorney's Offices for the Western, Middle and Eastern Districts of Tennessee, HHS-OIG and the Federal Bureau of Investigation.

STAFFING

As state and federal Medicaid expenditures have increased significantly, so have the number of criminal and civil cases worked and dollars recovered by the MFCD, as well as the necessity for the increase in personnel. At the conclusion of Fiscal Year 2022, the MFCD had 58 of 63 positions filled, including agents, supervisors, attorneys, auditors and support staff.

There are thirteen managers located across the state including a TBI Assistant Director, three Special Agents-in-Charge, six Assistant Special Agents-in-Charge, a Medicaid Fraud Manager, a Medicaid Fraud Chief Auditor and a General Counsel who supervise the special agents and civilian personnel within the Division. They also oversee the day-to-day operations of the Division and help coordinate various investigations in the often complicated area of healthcare fraud and patient abuse. They attend multiple meetings with various state, federal and private entities which are critical for the investigation and prosecution of a wide variety of complex cases. It is imperative to keep abreast of the constant changes in this dynamic and massive piece of our state's and nation's economy.

The 75% federal funding of the MFCD by HHS-OIG requires sufficient staff of professional, administrative and support personnel to carry out its duties and responsibilities in an effective and efficient manner. *See* 42 C.F.R. § 1007.13. There are 33 agents positioned throughout the state, who are located at TBI headquarters in Nashville and the six TBI regional offices. The agents investigate and refer for prosecution the individuals, companies, national corporations, facilities and other providers who may not properly provide or bill for the healthcare and long-term care needs of over 1.7 million individuals on the state Medicaid/TennCare program.

The MFCD has three attorneys who assist the Division's supervisors and agents in understanding the immense legal landscape found in managed care and healthcare on both a state and federal level. Among other things, the attorneys conduct research, provide training for Division personnel and review and draft legislation and contract language. They may assist and advise agents in investigations, review search warrants and identify statues, policies and other guidance documents that apply to specific issues. The attorneys work with prosecutors and federal and state colleagues, including other MFCUs, to ensure that the cases brought against both local and national providers result in holding them accountable for their actions (and inactions). The attorneys work closely with and in conjunction with the National Association of Medicaid Fraud Control Units (NAMFCU) on a large number of complex national cases, many of which are brought under state and federal false claims acts, which have resulted in hundreds of millions of dollars of fraud that has been identified and recovered for division among the states based on damages to each state. Tennessee has greatly benefitted from the national collaboration in these efforts.

The Division's civilian employees provide invaluable investigative and administrative support for the agents. These civilian positions include five auditors, three nurse consultants and two administrative assistants.

Because of the challenging issues and types of cases the MFCD investigates, there are huge numbers of financial documents, bank records, medical records, and data that need to be examined. The auditors and nurses play a significant role in assisting in the analysis of these types of documents, track inventory and utilize special law enforcement databases to assist in obtaining information needed to further the agents' investigations.

The administrative assistants in the Division are essential in helping the agents document their investigative files in the TBI case file system. They also play a critical role in preparing federally required submissions to maintain the MFCD federal grant funding, submitting referrals to the Abuse Registry, and performing numerous other reporting and statistical requirements.

STAFFING

MAP OF MFCD STAFF BY LOCATION

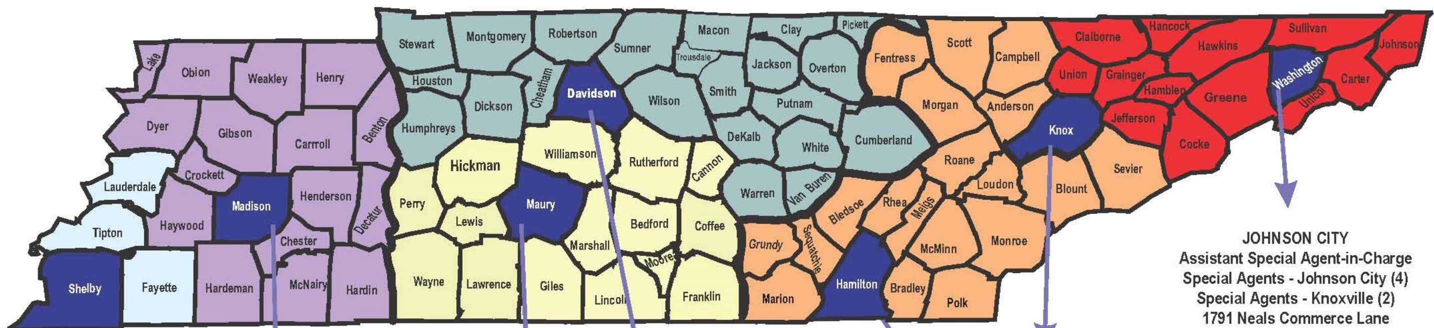
TENNESSEE BUREAU OF INVESTIGATION
Medicaid Fraud Control Division

Assistant Director

Special Agent-in-Charge
West

Special Agent-in-Charge
Middle

Special Agent-in-Charge
East



JOHNSON CITY
Assistant Special Agent-in-Charge
Special Agents - Johnson City (4)
Special Agents - Knoxville (2)
1791 Neals Commerce Lane
Knoxville, TN 37914

JACKSON
Assistant Special Agent-in-Charge
Special Agents (6)
350 Smith Lane
Jackson, TN 38301

NASHVILLE
Assistant Special Agent-in-Charge
Special Agents - Nashville (5)
Special Agents - Cookeville (2)
901 R.S. Gass Boulevard
Nashville, TN 37216

KNOXVILLE/CHATTANOOGA
Assistant Special Agent-in-Charge
Special Agents - Knoxville (3)
Special Agents - Chattanooga (3)
1791 Neals Commerce Lane
Knoxville, TN 37914

MEMPHIS
Assistant Special Agent-in-Charge
Special Agents (6)
2399 Chiswood Street
Memphis, TN 38134

COLUMBIA
Assistant Special Agent-in-Charge
Special Agents - Columbia (6)
Special Agents - Nashville (1)
1010 Galloway Street
Columbia, TN 38401

SUPPORT STAFF - NASHVILLE
General Counsel
Associate Counsels (2)
Medicaid Fraud Manager
Chief Auditor
Medicaid Fraud Auditors (3)
Medicaid Fraud Data Auditors (2)
Nurse Consultants (3)
Administrative Assistants (2)

CASE MIX

As of June 30, 2023, the MFCD has active cases on 47 of the 82 provider groups identified on the HHS-OIG annual report. The MFCD opened a total of 86 fraud and abuse cases and closed 102 during this reporting period (July 1, 2022 – June 30, 2023). Results of these investigations led to a total of 28 individuals indicted (not total charges/counts) and 11 individuals convicted during this time frame.

Case Type	Number of Cases	Percent of Caseload
Fraud by Practitioners (e.g. Dentist, Nurse Practitioner, Physician/DO, Podiatrist, etc.)	62	31.47%
Fraud by Individual Providers (e.g. Nurses Aide or Personal Care Services Assistant)	31	15.74%
Fraud by Medical Services (e.g. Durable Medical Equipment, Home Health Agencies, Labs, or Pharmacies, etc.)	49	24.87%
Fraud in Facilities (e.g. Assisted Living, Hospitals, Nursing Facility, Substance Abuse Treatment Center, etc.)	23	11.68%
Patient Abuse/Neglect	32	16.24%
Totals	197	100%

FRAUD

From July 1, 2022 through June 30, 2023, the MFCD helped identify approximately $40.2 million in fraud cases worked by the Tennessee MFCD. In total, the Division opened 69 fraud cases, closed 75 and obtained 22 indictments and 7 convictions.

The MFCD makes every effort to work collaboratively with all parties involved in the healthcare delivery system, especially with others also tasked with fighting fraud against the government. The Division is often working closely with agents from HHS-OIG, the federal agency designated with investigating federal healthcare programs. The MFCD agents also conduct joint investigations with other federal, state and local law enforcement agencies such as the Federal Bureau of Investigation, the Drug Enforcement Administration Diversion Unit, the Defense Criminal Investigative Service, the United States Postal Service and the Internal Revenue Service.

Fraud and Prescription Drugs

Since 2018, MFCUs can receive Federal financial participation for investigations and prosecutions of potentially fraudulent conduct related to the diversion or misuse of pharmaceuticals. The MFCD actively pursues cases of overprescribing and drug diversion by TennCare providers in Tennessee.

The MFCD also enjoys a close relationship with the Bureau of TennCare's Office of Program Integrity (OPI) and the special investigation units at the various Managed Care Organizations (MCOs) that investigate fraud in the Medicaid program. Currently, there are three MCOs, a pharmacy benefits manager (PBM), and a dental benefits manager (DBM) which contract with TennCare. The MFCD participates in two Semi-Annual Fraud, Waste and Abuse meetings where all MCOs and law enforcement are invited to participate in discussions of issues relating to fraud in the program. In addition, the MFCD and OPI meet individually with each of the three MCOs, the PBM and the DBM to discuss current issues and receive referrals. These meetings are held quarterly at the Bureau of TennCare. In addition, OPI also hosts an Annual Summit meeting where MCOs and law enforcement have a two-day conference to discuss fraud, waste and abuse topics and have breakout sessions and presentations on each stakeholders' organizations, operations and emerging fraud trends.

Many of the fraud referrals investigated by the MFCD originate through MCOs or OPI. TennCare OPI often performs preliminary background work on referrals to determine if allegations have merit before the MFCD becomes involved. This process saves valuable investigative time and resources by eliminating duplication of effort. Some OPI referrals are presented for consideration to the MFCD and the Tennessee Attorney General's Office, which handles civil cases brought under the Tennessee Medicaid False Claims Act. These referral meetings are held quarterly.

The MFCD continues to place emphasis on the detection of healthcare fraud trends by utilizing link analysis measures and cultivating new partnerships with external fraud vendors like the Healthcare Fraud Prevention Partnership (HFPP), a Centers for Medicare and Medicaid Services (CMS)-sponsored voluntary public-private partnership that helps detect and prevent healthcare fraud through data and information sharing. Medicaid data is provided to the HFPP by CMS and is used to alert the MFCD of new fraud trends that are emerging and providers who are outliers based on the HFPP analytics.

The MFCD also works closely with individuals from other areas within the Bureau of TennCare, the Tennessee Office of Inspector General, the Tennessee Attorney General's Office and the Tennessee Department of Health's Division of Health-Related Boards.

GLOBAL INVESTIGATIONS

Global settlements are often the most worthwhile cases, in terms of monetary recoveries, in which the MFCD participates. These settlements typically involve large national healthcare companies, help resolve cases that originate in other states and may be based on allegations not yet the subject of investigation in Tennessee. Under state and federal false claims acts, defendant companies may have to repay restitution and sometimes double- or even triple-damages, with Tennessee's share based on the harm done to the state Medicaid program.

The National Association of Medicaid Fraud Control Units, of which the MFCD is a longstanding member, coordinates the global cases through teams, and frequently works with representatives from the Department of Justice and various offices of the United States Attorneys. The MFCD's Director and attorneys serve as the Division's points of contact for these cases and work closely with their counterparts from around the country.

Many of the global settlements arise out of *qui tams* or "whistleblower" lawsuits, which are being filed with increasing regularity. A number of pending settlements are currently being worked by the MFCD in conjunction with NAMFCU and the Tennessee Attorney General's Office. The MFCD's attorneys serve on a number of NAMFCU investigative and settlement teams assigned to these cases, but the Division is also responsible for providing NAMFCU with requested information in all cases, which often includes identifying the amount billed by and paid to these companies by the state's Medicaid program. The MFCD attorneys also help coordinate the legal issues involved with potential settlements. Final approval by the Tennessee Attorney General is required on state settlement agreements. Since these national settlements require the involvement of both the MFCD and Attorney General's Office, good communication is vital.

These extensive and very complicated cases sometimes take several years from beginning to conclusion. For the 2022 – 2023 fiscal year, the MFCD was a party in 9 different NAMFCU global settlements totaling over $1 billion, with approximately $6.1 million in federal and state dollars recovered on behalf of Tennessee's Medicaid program. Examples of the alleged conduct in global types of settlements may include kickbacks to induce referrals, billing Medicaid for "off label" usage, which involves manufacturers promoting certain approved drugs for specific uses that have not been approved by the Food and Drug Administration, and schemes to maximize billing by providing unreasonable and unnecessary services.

MFCD Case Example

The state of Tennessee, working with NAMFCU, entered into a settlement with Medline Industries Inc. to resolve a *qui tam* lawsuit. Tennessee's total federal/state share of the $22 million settlement was $362,977.65.

This resolution settled allegations that Medline used sham research grants and donations to provider-favored charities to induce doctors to purchase Medline's derma products. Medline also allegedly provided free software as an inducement to providers to favor Medline when entering into contracts for certain services between the years of 2011 to 2017.

ABUSE

Unfortunately, elderly and vulnerable adults and other adults and children receiving TennCare benefits are sometimes neglected and/or abused – physically, sexually and financially. Because of the quickly-growing population of aging Americans, the MFCD anticipates the number of reported abuse cases to only increase in the coming years. Patient abuse cases currently comprise 16% of total MFCD cases; however, they are a prominent part of the MFCD's mission.

Until recently, the MFCD's authority to work these types of cases was limited to victims in Medicaid-receiving facilities and federally defined "board and care facilities". However, since late 2020, MFCUs have federal authority to work cases of abuse and neglect of Medicaid/TennCare patients residing in *any* type of setting *when* the provision of Medicaid services is involved.

As of June 30, 2023, the MFCD had 32 open patient abuse and neglect cases, including financial exploitation cases, many of which have multiple victims. During the 2022-2023 fiscal year, the MFCD received over 3,700 abuse, neglect, and financial exploitation referrals, primarily from the Tennessee Department of Human Services' Adult Protective Services (APS) and the Department of Intellectual and Developmental Disabilities, but referrals also come from a number of other sources, including to the MFCD's "hotline", website, and e-mail. All referrals to the MFCD undergo preliminary review by supervisors. These reviews require several considerations, including whether the alleged conduct rises to the level of criminal conduct, whether the MFCD has jurisdiction to work the case, whether it is better suited for social/administrative agency intervention and whether local law enforcement has the personnel, resources and time to investigate. MFCD agents were assigned 384 of the referred cases for further review, with the remainder either referred back to the referring agency or to another agency for appropriate action. This decision could be made because the MFCD did not have jurisdiction, the allegation lacked the necessary elements for further criminal investigation or no further action was needed at the time.

Another key element in Tennessee's approach to and referrals of patient abuse and neglect cases involves the Vulnerable Adult Protective Investigative Teams (VAPITs) across Tennessee. The VAPITs, which have been statutorily required in Tennessee since 2017, encourage partnerships between the MFCD, other law enforcement agencies and state prosecutors, and has resulted in an increase of the number of allegations being investigated by law enforcement. Referrals also come to the MFCD from family, concerned citizens or healthcare providers who suspect abuse.

During the past year, the MFCD opened 17 cases, obtained 6 indictments and 4 convictions. In addition, the MFCD has always made referrals to the state's Abuse Registry. Since July of 2022, referrals are now made to the newly-created Tennessee Health Facilities Commission for consideration for placement of individuals on the state's Registry after criminal prosecution has concluded or if placement appears to be warranted/appropriate, even when prosecution is declined.

MFCD CASE EXAMPLES

FRAUD AND ABUSE

WEST TENNESSEE

The MFCD opened a case on a primary care medical clinic with several locations on December 3, 2019, after receiving a referral from TennCare OPI and the Tennessee Attorney General's Office. The referral alleged that the clinic's number of Rural Health Clinic eligible visits in several counties had been inflated in reports to the Office of the Comptroller. A subsequent Comptroller's Report found that they overreported 44,432 patient visits in three small towns resulting in the overpayments of more than $4.7 million by TennCare.

On September 21, 2022, the president of the clinic pled guilty to a one-count Information in violation of 18 U.S.C. § 1035(a)(2) by knowingly and willfully making and causing to be made materially false statements and representations in connection with the delivery and payment of TennCare benefits, items and services from January 1, 2014 until June 30, 2019. In the president's Plea Agreement, he agreed to pay $4,705,641.00 in restitution and was sentenced on January 4, 2023 in the United States District Court for the Western District of Tennessee to three years of supervised release, including six months of home confinement.

MIDDLE TENNESSEE

In April 2023, the MFCD concluded its investigation of a licensed practical nurse (LPN). This case was opened in January 2022 after APS submitted a referral to the MFCD alleging that the subject had caused bruises and injuries on a dementia resident's face at a senior assisted living facility where he worked on the weekends. The MFCD received an additional referral from APS in August 2022, alleging that the same LPN caused a cut on a different resident's lip and large bruises on his chin and arms. The second victim was speech impaired, had Parkinson's disease and dementia, and needed assistance with activities of daily living. The MFCD investigation found that the LPN failed on multiple occasions to document incidents and failed to seek proper treatment for the individuals.

On April 5, 2023, the LPN pled guilty in Bedford County General Sessions Court to two counts of violating T.C.A. § 39-15-507(b), Attempted Neglect of an Elderly Person, and was sentenced to 11 months, 29 days at 75% on each charge, which was suspended resulting in a total of two years of supervised probation. Additionally, he was ordered to pay a total of $2,000.00 in fines and $649.00 in court costs, was placed on the Elderly and Vulnerable Abuse Registry for life and was ordered to surrender his nursing license.

MFCD CASE EXAMPLES

FRAUD AND ABUSE

EAST TENNESSEE

The MFCD opened a case in April 2020 after receiving a referral from TennCare OPI which alleged that a family practice overutilized CPT codes to increase reimbursement and was billing for more than 24 hours a day. In March 2023, a $315,000.00 settlement was reached in an agreement between the United States, the State of Tennessee and a nurse practitioner relating to claims to Medicare and Medicaid for non-reimbursable and/or medically unnecessary autonomic nervous system testing from February 1, 2015 through October 30, 2019.

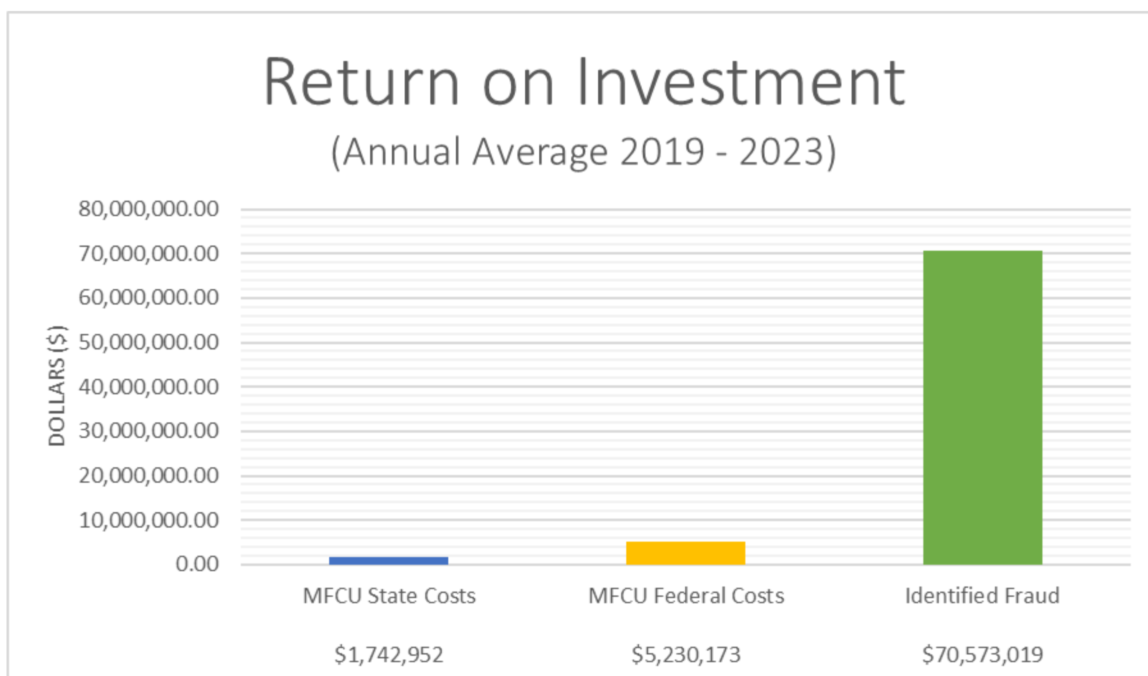
The MFCD recently closed another case involving Suboxone facilities in three states. The investigation was initiated by the Virginia MFCU, involved numerous law enforcement agencies, including the Tennessee MFCD, and took almost seven years of investigation and prosecution. The allegations of overprescribing, inappropriate prescribing, unnecessary drug screens and more resulted in the criminal convictions of seven defendants and recovery of more than $9.9 million in government healthcare dollars from Medicare, Virginia Medicaid, Kentucky Medicaid, and Tennessee Medicaid. Of that amount, $715,255.43 was returned to the TennCare program.

RETURN ON INVESTMENT

The MFCD is certified annually by HHS-OIG, which provides the MFCD with 75% federal grant funding and exercises administrative oversight over all MFCUs. Provider fraud, which hinders the very integrity of the Medicaid and TennCare programs, can be measured not only in harm to individuals but also in dollars, both of which are reported by the MFCD to HHS-OIG. Since 1990, the Tennessee MFCD has consistently identified significantly more dollars attributed to fraud than the money that was spent on the Division.

In the last year, the Division identified approximately $40.2 million in TennCare provider fraud. The total Division cost was approximately $7.4 million. However, with the federal government supplying 75% of the Division's total costs, the cost to the state of Tennessee for the MFCD's efforts was only about $1.8 million.

The MFCD and its parent organization NAMFCU are aggressive in assisting the Bureau of TennCare and others in identifying and collecting restitution and penalties for the TennCare program. In the past five years, the MFCD has assisted in the identification of over $352.8 million, including a significant portion attributed to large settlements between national providers, the states and the federal government. Because of our federal funding by HHS-OIG, this was accomplished at an approximate cost of $8.7 million over the last five years to the state. Our membership within NAMFCU has been, and continues to be, critical to the mission of deterring some of the prevalent and most menacing healthcare provider frauds, recovering program dollars, punishing corrupt practitioners and prosecuting those who abuse and neglect TennCare recipients and the elderly and vulnerable adults of Tennessee.



TRAINING

The Division's training plan is designed to meet the unique needs and professional requirements of everyone in the Division. Continuing education and staff development enable the MFCD staff to perform the highest quality investigations. Tennessee MFCD members play a vital role in the national healthcare fraud landscape by their service to NAMFCU and assistance on cases, committees and subcommittees, which in turn assist in the training of counterparts around the country. MFCD personnel have also been very active in receiving training from and providing training to outside agencies and groups, which allows the Division to share knowledge and experience with many others looking for fraud, including those at TennCare and the state's Medicaid managed care entities.

Several of our agents have provided training throughout Tennessee to police officers and other state agency investigators on a wide variety of topics, including prescription drug diversion, fraud investigations, data collaborations, and elder abuse investigations. Veteran MFCD employees and agents provide training to the new agents and other personnel assigned to the Division on topics specific to the MFCD, such as statutes, regulations, operational information, fraud schemes, abuse/neglect investigative topics and overviews of past MFCD case files. Our staff attorneys have provided training on medical records law, report writing, testifying, prescription drug diversion and managed care issues.

Members of the MFCD are currently participating in state and federal Elder Abuse task forces and the Tennessee VAPITs. These forums promote the exchange of ideas and an open dialogue between state and federal agencies, which in turn provides participating agencies with a better understanding of the role that the MFCD has in abuse and neglect cases and demonstrates how the MFCD can better assist in protecting the most vulnerable citizens of Tennessee. The MFCD also has a representative on the NAMFCU Resident Abuse Committee. This is a national committee made up of a handful of members from MFCUs across the country who help to develop policy and best practice recommendations relating to elder abuse investigations and allows the MFCD to be at the national forefront of the investigation of elder abuse, neglect and exploitation. Additionally, the MFCD has had representatives serve and participate in training with the Elder Abuse Coordinated Community Response Committee and the Tennessee Elder Justice Conference, working with them and other entities striving toward the common goal of protecting the vulnerable and elderly adult populations in Tennessee. The MFCD also continues to play a vital role in Federal Health Care Fraud Task Forces throughout the state. These task forces can be more accurately described as "working groups" rather than full-time task forces. Most of the MFCD's fraud cases are being prosecuted federally, so participation and collaboration with the federal task forces is essential. At these meetings, agents and other MFCD personnel often present on recently closed cases or offer training on other relevant topics.

The complexity of healthcare laws and the difficulty in investigating healthcare fraud requires that the MFCD be diligent in learning about this ever-changing landscape. The MFCD must closely track newly devised schemes and trends and be familiar with an ever-changing industry. The Division maintains a structured training plan and attempts to send as many Division members as possible to NAMFCU introductory and other advanced training programs each year. At the request of NAMFCU, the Tennessee MFCD continues to provide faculty members who teach at NAMFCU classes.

SUMMARY

The past several years have been tremendously productive for Tennessee's Medicaid Fraud Control Division. In the last five years, the MFCD has had 146 indictments, 72 convictions and identified more than $352.8 million of fraud against TennCare and other government programs. During the last year alone, the Division's fraud cases have resulted in the identification of approximately $40.2 million in overpayments, the indictments of 22 and conviction of 7 healthcare providers in both state and federal courts, along with a number of civil settlements.

From July 1, 2022 - June 30, 2023, the Division received over 3,700 referrals of patient abuse and neglect cases, which include physical, sexual abuse and financial exploitation of the elderly and developmentally disabled. The MFCD opened 17 cases, obtained 6 indictments and 4 convictions, and reported individuals to the Abuse Registry and licensing boards.

These investigations, recoveries, indictments and convictions were accomplished at an approximate cost of just $1.8 million to the state of Tennessee, with 75% of total costs being paid for by the federal government. Several factors have contributed to the MFCD's high level of success - a strong affiliation with our colleagues in other state MFCUs and our national association, a great working relationship with multiple partners, including but not limited to HHS-OIG, the United States Attorneys' Offices, Federal Bureau of Investigation, District Attorneys' Offices, Tennessee Attorney General's Office, Tennessee Office of Inspector General, the Bureau of TennCare, Department of Health, Department of Human Services, Department of Intellectual and Developmental Disabilities, Health Facilities Commission and dedicated, specially-trained personnel with a passion for protecting the TennCare program and citizens of the state of Tennessee.

As we have seen in prior years, the MFCD expects its caseload for the upcoming year to continue to grow. There is a steady flow of tips and referrals regarding fraudulent activities by TennCare providers and harm to our state's growing elderly and vulnerable populations. Through relationships with our partners in healthcare oversight and using all accessible resources, we look forward to future challenges and accomplishments.

For questions concerning this report or the MFCD please contact:

Tennessee Bureau of Investigation
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Medicaid Fraud Control Division
901 R. S. Gass Boulevard
Nashville, TN 37216-2639
615.744.4000

TBI Medicaid Fraud Control Division/Tennessee Medicaid Fraud Control Unit

Organizational Chart

July 1, 2022 - June 30, 2023

- **Assistant Director/Director** TBI MFCD/MFCU
  - **SAC West Region**
    - **ASAC Memphis**
      - Special Agent Memphis
      - Special Agent Memphis
      - Special Agent Memphis
      - Special Agent Memphis
      - Special Agent Memphis
      - Special Agent Memphis
    - **ASAC Jackson**
      - Special Agent Jackson
      - Special Agent Jackson
      - Special Agent Jackson
      - Special Agent Jackson
      - Special Agent Jackson
      - Special Agent Jackson
  - **SAC Middle Region**
    - Admin Assistant 3
    - **ASAC Nashville**
      - Special Agent Nashville
      - Special Agent Nashville
      - Special Agent Nashville
      - Special Agent Nashville
      - Special Agent Nashville
      - Special Agent Cookeville
      - Special Agent Cookeville
    - **ASAC Columbia**
      - Special Agent Columbia
      - Special Agent Columbia
      - Special Agent Columbia
      - Special Agent Columbia
      - Special Agent Columbia
      - Special Agent Columbia
      - Special Agent Columbia
  - **SAC East Region**
    - **ASAC Johnson City**
      - Special Agent Johnson City
      - Special Agent Johnson City
      - Special Agent Johnson City
      - Special Agent Johnson City
      - Special Agent Knoxville
      - Special Agent Knoxville
    - **ASAC Knoxville**
      - Special Agent Knoxville
      - Special Agent Knoxville
      - Special Agent Knoxville
      - Special Agent Chattanooga
      - Special Agent Chattanooga
      - Special Agent Chattanooga
  - **General Counsel**
    - Associate Counsel
    - Associate Counsel
  - **Medicaid Fraud Manager**
    - **Chief Auditor**
      - Medicaid Fraud Auditor
      - Medicaid Fraud Auditor
      - Medicaid Fraud Auditor
      - Admin Assistant 3
    - Nurse Consultant
    - Nurse Consultant
    - Nurse Consultant
    - Medicaid Fraud Data Auditor
    - Medicaid Fraud Data Auditor

DIVISION STATISTICS

JULY 1, 2022 — JUNE 30, 2023

Criminal Case Results					
	Indicted/Charged	Dismissed	Acquitted	Convictions	Sentenced
Fraud	22	1	0	7	15
Abuse/Neglect/ Patient Funds	6	0	0	4	6

Criminal Case Receivables and Outcomes				
	Fines Ordered	Medicaid Restitution Ordered	Other Restitution Ordered	Total Ordered
Fraud	$725,350.00	$4,731,280.89	$2,100,852.46	$7,557,483.35
Abuse/Neglect/ Patient Funds	$2,000.00	-	$1,294.35	$3,294.35
Totals	$727,350.00	$4,731,280.89	$2,102,146.81	$7,560,777.70

Civil/Administrative Receivables and Outcomes			
	Medicaid	Other Recoveries	Total
Fraud (Civil)	$5,290,592.44	$21,244,947.40	$26,535,539.84
Fraud (Global)	$2,220,737.80	$3,902,001.44	$6,122,739.24
Totals	$7,511,330.24	$25,146,948.84	$32,658,279.08

Open Investigations			
	Fraud	Abuse/Neglect	Total
Open at Beginning of Period	171	42	213
Investigations Opened	69	17	86
Investigations Closed	75	27	102
Total Open Cases as of June 30, 2023	165	32	197