

**ATTORNEY GENERAL TEAMS UP WITH STATE ATTORNEYS
TO COMBAT HEALTHCARE FRAUD**

June 10, 2010

On June 8, 2010 Attorney General Eric Holder and Health and Department of Health and Human Services Secretary Kathleen Sebelius authored a letter to state Attorney Generals inviting them to cooperate with recent Federal law enforcement efforts to combat healthcare fraud. The goal is to reduce improper Medicare and Medicaid billing by fifty percent.

This is one of many measures that the Federal government has implemented to combat the growing problem of healthcare fraud. The first in a series of healthcare fraud prevention summits took place on July 16, 2010 and was hosted by the Departments of Justice and Health and Human Services.

The Department of Justice has directed 93 U.S. attorneys to convene regular healthcare fraud task meetings and exchange information with both the private and public sector in combating fraud. These directives come on the heels of the delegation of authority for issuing civil investigative demands to 93 U.S. attorneys – a powerful tool that can force the targets of civil fraud investigations to respond to document requests, interrogatories, and appear for depositions. Most of the state Attorney Generals in states that have false claim acts already have civil investigation demand authority. This authority is empowered through the state and Federal False Claims Act, which are powerful tools in fighting healthcare fraud.

Under the False Claims Act whistleblowers who have knowledge of fraud may file actions on behalf of the Federal government to recoup federal money spent on Medicare or Medicaid, or on behalf of either state, local or Federal governments. The False Claims Act has powerful remedies which include the trebling of damages for fraudulent billing and recoveries of up to \$11,000.00 per every false bill or claim submitted. Actions brought by whistleblowers can

result in whistleblower awards of up to fifteen to twenty-five percent of any recovery obtained by the Federal government.

Under the Obama administration it is likely that False Claims Act investigations will be greatly facilitated by the U.S. Attorney's delegation of civil investigative demand authority to some 93 U.S. Attorneys. The June 8, 2010 letter from Holder and Sebelius assured Attorney Generals that both the Department of Justice and Health and Human Services will be vigorously using new weapons in their arsenal, also empowered by the Affordable Healthcare Act which has been in place for just a few months. The resources provided by the Affordable Healthcare Act include new criminal and civil penalties, enhanced information technology to track and prevent fraud in the first place, and new authorities to prevent bad actors from submitting Medicare and Medicaid claims.

It is estimated in the last year and a half some six billion dollars has been recovered in state and Federal False Claims Act cases. With these new initiatives, we can expect more healthcare fraud litigation and larger recoveries against healthcare providers who have been participants in fraud.

To learn more about the Affordable Care Act read the text of the statute by clicking on this link: <http://www.opencongress.org/bill/111-h3590/text>