We heal and inspire the human spirit.

**To:** Medicare IPAs

**From:** IEHP – Compliance

**Date:** February 28, 2023

**Subject:** **CMS Alert: Potential FWA activity - Inappropriate Claims and Requests**

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CMS has alerted plans of potential FWA activity to aid in monitoring for inappropriate claims and/or requests for DME and genetic testing.

Suspicious activities were investigated by CMS, and various forms of fraud discovered:

- Sending DME supplies to Medicare beneficiaries without their consent, and without medical necessity review.
- Increased billing for orthotics, and which are under investigation for kickbacks and inappropriate coordination with marketing agencies to obtain beneficiary information.
- Telemarketing/telemedicine schemes and forged physician orders to overprescribe DME.
- Overprescribing of orthotic braces, genetic testing and topical creams by physicians.

As an IEHP delegate, please review the memos attached that detail the specific Providers/NPIs identified as committing fraudulent activities against your internal claims and authorization request data.

Please make note of the scheme, and the use of false, misleading, or suspicious contact information, to inform monitoring efforts going forward.

Att:

Alert! Be Aware of Fraudulent DME Activity_ Heal Root_Att 1

Alert! Be Aware of Fraudulent DME Activity _ Orthotics_Att 2

Alert! Be Aware of Fraudulent DME Activity_ Christopher P_Att 3

Alert! Be Aware of Fraudulent DME Activity _Trinity Clinical Laboratories_Att 4

If you have any questions, please do not hesitate to contact the IEHP Provider Call Center at (909) 890-2054 or (866) 223-4347 or email ProviderServices@iehp.org

As a reminder, all communications sent by IEHP can also be found at: www.iehp.org > Providers > Plan Updates > Correspondence

DEPARTMENT OF HEALTH & HUMAN SERVICES
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CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR PROGRAM INTEGRITY

Date: February 7, 2023

To: All Medicare Advantage Organizations (MAOs) and Prescription Drug Plan Sponsors (PDPs)

From: Sherri G. McQueen, Director
Fraud Investigations Group, Center for Program Integrity

Re: *Alert:* Durable Medical Equipment Provider: Heal Root

The Department of Health and Human Services Office of Inspector General (OIG), in collaboration with the Centers for Medicare & Medicaid Services (CMS) and the Investigation Medicare Drug Integrity Contractor (I-MEDIC), have identified a durable medical equipment (DME) supplier sending supplies to beneficiaries that were neither needed nor requested. This alert serves as notification to all Medicare Advantage (MA) plan sponsors for potentially inappropriate billing by this provider.

A complaint was received from an MA plan sponsor indicating that Medicare beneficiaries were receiving DME supplies to their residence without their knowledge and without medical necessity from Heal Root Digital Inc (NPI 1376132647). An interview conducted by the plan sponsor indicated that the individuals representing the company may be operating in a foreign country while claiming they are located in Nevada. In a second interview, an employee admitted that Nevada was a virtual office and that no employees were located in the United States. The IP address for logins on the supplier's payment site show a consistent logon from Mumbai, India.

During the interviews, an employee stated that they would need to speak with an individual named Nabonita. Nabonita Bandyopadhyay is listed as the sender of emails from the main Heal Root account and refers to herself as a DME provider on her Instagram page. Medical records were received from DDP Medical Supply, a DME wholesaler in Florida, which fulfilled orders on behalf of Heal Root. Heal Root supplied paperwork to DDP Medical Supply advising that Nabonita Bandyopadhyay and Dwayne Welsh were co-owners of Heal Root. Law enforcement has advised that Bandyopadhyay has not been in the United States since 2007 and that Dwayne Welsh appears to be a fictitious name.

A website for Heal Root (www.healroot.us) provides an address in Reno, NV, and a phone number with a Delaware area code. Neither are connected to information submitted to the National Plan and Provider Enumeration System (NPPES) NPI Registry for the previously identified NPI. Heal Roots Inc (NPI 1982337481) was enumerated on July 3, 2022, and was updated November 11, 2022, with the same phone number identified on the website and the

authorized official identified as Jeb David Welsh.

The Nevada Attorney General has received a referral from the New York Attorney General regarding Heal Root Digital Inc. MA plan sponsors have indicated that administrative actions such as prepayment review have been placed on Heal Root Digital Inc.

OIG, CMS, and I-MEDIC are using this alert to provide plan sponsors with the details of these specific providers to aid your compliance programs in the monitoring of potentially inappropriate claims in accordance with Chapter 21 of the *Medicare Managed Care Manual*.[1]

Please report your vetted complaints to CMS and the I-MEDIC by using the Health Plan Management System Program Integrity portal. If your organization has questions on this matter, please contact Bill Roland of the I-MEDIC at rolandb@qlarant.com.

[1] Medicare Managed Care Manual, Chapter 21 and Prescription Drug Benefit Manual, Chapter 9: Compliance Program Guidelines. https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/chapter9.pdf Accessed on June 18, 2022.

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To: All Medicare Advantage Organizations (MAOs) and Prescription Drug Plan Sponsors (PDPs)

From: Sherri G. McQueen, Director
Fraud Investigations Group, Center for Program Integrity

Re: Alert: Durable Medical Equipment Providers

The Centers for Medicare & Medicaid Services (CMS), in collaboration with the Department of Health and Human Services Office of Inspector General (OIG), the Department of Justice HealthCare Fraud (DOJ HCF) Unit, the Investigations Medicare Drug Integrity Contractor (I-MEDIC), and the Southeast Unified Program Integrity Contractor (SE UPIC) have identified questionable billing practices for durable medical equipment. This alert serves as notification to all MAOs and PDPs about these potentially inappropriate billing practices.

Original Medicare typically covers reasonable and necessary durable medical equipment when ordered by a doctor or other health care provider for use in the home. The coverage for such services is outlined in National Coverage Determinations (NCDs), as well as Local Coverage Determinations (LCDs) and Local Coverage Articles (LCAs). The Code of Federal Regulations (CFR) also provides guidance at 42 CFR 410.38 and chapter 20 of the Medicare Claims Processing Manual[1].

The OIG has issued numerous fraud alerts related to DME since 2003. The most recent alert[2] warns Medicare beneficiaries of offers for orthotic braces free of charge. This nationwide scheme resulted in one of the largest health care fraud takedowns with over $1.2 billion in losses from Operation Brace Yourself[3]. Previous OIG alerts[4] have informed beneficiaries of the use of telemarketing whereby DME services are ordered through unsolicited telephone calls.

[1] Medicare Claims Processing Manual, Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c20.pdf
[2] US Department of Health and Human Services Office of Inspector General, Fraud Alert: Nationwide Brace Scam https://oig.hhs.gov/fraud/consumer-alerts/fraud-alert-nationwide-brace-scam/
[3] US Department of Justice, Federal Indictments & Law Enforcement Actions in One of the Largest Health Care Fraud Schemes Involving Telemedicine and Durable Medical Equipment Marketing Executives Results in Charges Against 24 Individuals Responsible for Over $1.2 Billion in Losses https://www.justice.gov/opa/pr/federal-indictments-and-law-enforcement-actions-one-largest-health-care-fraud-schemes
[4] US Department of Health and Human Services Office of Inspector General, Updated Special Fraud Alert – Telemarketing by Durable Medical Equipment Suppliers https://oig.hhs.gov/documents/special-fraud-alerts/868/fraudalert_telemarketing.pdf

The DOJ HCF and SE UPIC have recently investigated three DME suppliers identified with an increased billing of orthotics and requested CMS to implement Medicare Part B payment suspensions. The DME suppliers were found to be billing the following Healthcare Common Procedure Coding System (HCPCS) codes.

| HCPCS | Description |
|---|---|
| L1851 | KNEE ORTHOSIS (KO) |
| L0648 | LUMBAR-SACRAL ORTHOSIS, SAGITTAL CONTROL |
| L0650 | LUMBAR-SACRAL ORTHOSIS, SAGITTAL-CORONAL CONTROL |
| L3960 | SHOULDER ELBOW WRIST HAND ORTHOSIS |
| L2397 | ADDITION TO LOWER EXTREMITY ORTHOSIS, SUSPENSION SLEEVE |
| L1971 | ANKLE FOOT ORTHOSIS |
| L3916 | WRIST HAND ORTHOSIS |
| L3170 | FOOT, PLASTIC, SILICONE OR EQUAL, HEEL STABILIZER, PREFABRICATED, OFF-THE-SHELF, EACH |
| L1906 | ANKLE FOOT ORTHOSIS, MULTILIGAMENTOUS ANKLE SUPPORT, PREFABRICATED, OFF-THE-SHELF |

The allegations against the suppliers include coordinating with marketing agencies to obtain beneficiary information and payment of kickbacks, associated with claims paid by the Medicare program. The investigation also identified common ownership between the DME suppliers and marketing agencies. The investigation determined that a managing partner was also a convicted felon, which was not disclosed during the Medicare enrollment process. CMS and the OIG are using this alert to provide plan sponsors with the details of these specific suppliers, below, to aid your compliance programs in the monitoring of inappropriate claims in accordance with Chapter 21 of the Medicare Managed Care Manual and Chapter 9 of the Prescription Drug Benefit Manual.[5]

| NPI | Name | Location | Enumeration Date |
|---|---|---|---|
| 1184278079 | Victory Medical Supply LLC | Stuart, FL | 07/29/2019 |
| 1699234617 | Trojan Medical Supply Corp | Stuart, FL | 03/19/2019 |
| 1801442645 | BC Medical Supply LLC | Stuart, FL | 8/16/2019 |

Please report your vetted complaints to CMS and the I-MEDIC by using the Health Plan Management System Program Integrity portal. If your organization has questions on this matter, please contact your Bill Roland of the I-MEDIC at rolandb@qlarant.com.

[5] Medicare Managed Care Manual, Chapter 21 and Prescription Drug Benefit Manual, Chapter 9: Compliance Program Guidelines
https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/chapter9.pdf

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Date: February 7, 2023

To: All Medicare Advantage Organizations (MAOs) and Prescription Drug Plan Sponsors (PDPs)

From: Sherri G. McQueen, Director
Fraud Investigations Group, Center for Program Integrity

Re: Alert: Durable Medical Equipment Providers

The Investigations Medicare Drug Integrity Contractor (I-MEDIC), in collaboration with the Centers for Medicare & Medicaid Services (CMS) and Department of Health and Human Services Office of Inspector General (OIG), have identified several durable medical equipment (DME) suppliers potentially using telemarketing/telemedicine schemes along with forged physician orders. The DME suppliers have listed owners including Christopher R. Parks, Christopher N. Parks, and/or siblings of the Parks family. This alert serves as notification to all Medicare Advantage (MA) plan sponsors for potentially inappropriate billing by these providers.

The I-MEDIC received a complaint from an MA plan sponsor regarding the results of a clinical review for Healthcare Mobility with National Provider Identifier (NPI) 1902830110. This review focused on orthotic braces, transcutaneous electrical nerve stimulation (TENS) units, and leg-compression devices. The MA plan sponsor noted that many of the ordering/referring physicians found in the data have been, or are currently, under law enforcement and/or Special Investigations Unit (SIU) investigation for being high prescribers of orthotic braces, genetic testing, and topical creams. Their clinical review denied 119 of 120 claims reviewed. Several additional complaints were received from other MA plan sponsors and similarly identified the following Healthcare Common Procedure Coding System (HCPCS) codes billed most frequently.

| HCPCS | Description | HCPCS | Description |
|---|---|---|---|
| A4595 | Electrical stimulator supplies | L1851 | Knee orthosis, single upright |
| E0676 | Intermittent limb compression device | L2397 | Addition to lower extremity orthosis, suspension sleeve |
| L0650 | Lumbar-sacral orthotics | L3960 | Shoulder elbow wrist hand orthosis |
| L1833 | Knee orthosis, adjustable knee joints | E0667 | Segmental pneumatic appliance |
| E0745 | Neuromuscular stimulator, electronic shock unit | L1971 | Ankle-foot orthotic |
| E0730 | Transcutaneous electrical nerve stimulation | L3916 | Wrist hand finger orthotic |

Further investigation by the I-MEDIC identified the owner of Healthcare Mobility as Christopher Noah Parks, the son of Christopher R. Parks who is currently under indictment[1] with the Department of Justice, U.S. Attorney's Office (USAO), Northern District of Oklahoma, due to engaging in an illegal kickback scheme with compounding pharmacies. It was further found that Healthcare Mobility is one of 15 known DME and/or telemedicine companies known to be associated with the Parks family.

| NPI | Name |
|---|---|
| 1114082674 | American Home Oxygen Services, Inc. |
| 1417562695 | Arizona Orthotics |
| 1881892842 | Assistive Mobility, Inc. |
| 1629683487 | Central Orthopedic Network |
| 1851859870 | Community Health Medical Supplies |
| 1841387909 | Finger Lakes Brace Co |
| 1194326033 | Kentucky Orthopedic Network |
| 1891834552 | M.B. Best Medical Group |
| 1851452650 | Metro Medical |
| 1972571719 | National Durable Medical |
| 1831748961 | Oklahoma Orthopedic Network |
| 1174864763 | Performance Plus Medical Equipment |
| 1538175351 | PhilCare Medical Supplies, Inc. |
| 1780866079 | Rapha Medical LLC |
| 1083210256 | Texas Independent Diagnostic Testing Facility PLLC |

I-MEDIC, CMS, and OIG are using this alert to provide plan sponsors with the details of these specific providers to aid your compliance programs in the monitoring of potentially inappropriate claims in accordance with Chapter 21 of the Medicare Managed Care Manual.[2]

Please report your vetted complaints to CMS and the I-MEDIC by using the Health Plan Management System Program Integrity portal. If your organization has questions on this matter, please contact Bill Roland of the I-MEDIC at rolandb@qlarant.com.

[1] US Department of Justice; Three Charged with Violating Federal Anti-Kickback Laws and Committing More Than $4.7 Million in Health Care Fraud https://www.justice.gov/usao-ndok/pr/three-charged-violating-federal-anti-kickback-laws-and-committing-more-47-million. Accessed on June 18, 2022.

[2] Medicare Managed Care Manual, Chapter 21 and Prescription Drug Benefit Manual, Chapter 9: Compliance Program Guidelines. https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/chapter9.pdf Accessed on June 18, 2022.

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To: All Medicare Advantage Organizations (MAOs) and Prescription Drug Plan Sponsors (PDPs)

From: Sherri G. McQueen, Director
Fraud Investigations Group, Center for Program Integrity

Re: *Alert:* Laboratory: Trinity Clinical Laboratories LLC

The Investigation Medicare Drug Integrity Contractor (I-MEDIC), in collaboration with the Centers for Medicare & Medicaid Services (CMS), have identified a laboratory allegedly responsible for the submission of at least $107 million in genetic testing claims to Medicare and Medicare Advantage programs. This alert serves as notification to all plan sponsors of potentially inappropriate billing by this provider.

According to court filings, the following defendants owned and operated a genetic testing laboratory, Trinity Clinical Laboratories LLC, located in Lewisville, Texas: Chief Executive Officer John Grisham, 49, of Hickory Creek, Texas; Chief Financial Officer Rob Wilburn, 51, of San Antonio, Texas; and co-owner Richard Speights Jr., 52, of Lake Charles, Louisiana.

From January 2018 through October 2019, these defendants and their co-conspirators were allegedly responsible for submitting at least $107 million in genetic testing claims to Medicare and Medicare Advantage as the result of a sophisticated and nationwide health care kickback scheme.[1] In exchange for kickbacks and bribes, the defendants and their co-conspirators allegedly acquired thousands of Medicare beneficiaries' DNA specimens and corresponding prescriptions that Trinity Clinical Laboratories used to fraudulently bill Medicare and Medicare Advantage for genetic testing.

To conceal the nature of the kickback payments, the defendants and their co-conspirators also allegedly utilized sham contracts for purported marketing and other services. During the same time frame, Medicare allegedly reimbursed Trinity Clinical Laboratories approximately $44 million based on the fraudulent claims submitted due to the defendants' payment and receipt of kickbacks and bribes.

[1] US Department of Justice; Laboratory Owners and Executives Charged in Health Care Kickback Scheme https://www.justice.gov/opa/pr/laboratory-owners-and-executives-charged-health-care-kickback-scheme Accessed January 9, 2023.

Table 1. National Provider Identifier (NPI) Details from NPPES[2] NPI Registry

| NPI | Name | Address | City | State | Zip |
|---|---|---|---|---|---|
| 1891162665 | TRINITY CLINICAL LABORATORIES, LLC | 751 HEBRON PKWY STE 110 | LEWISVILLE | TX | 75057 |

CMS and I-MEDIC are using this alert to provide plan sponsors with the details of these specific providers to aid your compliance programs in the monitoring of potentially inappropriate claims in accordance with Chapter 21 of the *Medicare Managed Care Manual*.[3]

Please report your vetted complaints to CMS and the I-MEDIC by using the Health Plan Management System Program Integrity portal. If your organization has questions on this matter, please contact Bill Roland of the I-MEDIC at rolandb@qlarant.com.

[2] US Department of Health and Human Services Centers for Medicare and Medicaid Services; National Plan and Provider Enumeration System https://npiregistry.cms.hhs.gov Accessed December 21, 2022.
[3] Medicare Managed Care Manual, Chapter 21 and Prescription Drug Benefit Manual, Chapter 9: Compliance Program Guidelines. https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/chapter9.pdf Accessed June 18, 2022.