# STATE OF CONNECTICUT

*DEPARTMENT OF SOCIAL SERVICES*

**OFFICE OF THE COMMISSIONER**

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Commissioner

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February 23, 2017

Honorable Marilyn Moore, Senate Chair
Honorable Joe Markley, Senate Chair
Honorable Catherine F. Abercrombie, House Chair
Human Services Committee
Room 2200, Legislative Office Building
Hartford, CT 06106

Honorable Cathy Osten, Senate Chair
Honorable Paul Formica, Senate Chair
Honorable Toni E. Walker, House Chair
Appropriations Committee
Room 2700, Legislative Office Building
Hartford, CT 06106

**RE: PUBLIC ACT No. 13-293**
**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING MEDICAID PROGRAM INTEGRITY**

Dear Honorable Co-Chairs and Members of the Human Services and Appropriation Committees:

The attached joint report has been prepared by the Department of Social Services in coordination with the Office of the Chief State's Attorney and the Office of the Attorney General. The joint report represents the state's efforts to prevent and control fraud, abuse, and errors in the Medicaid payment system and to recover Medicaid overpayments. Included in this report is a final reconciled and unduplicated accounting of identified, ordered, collected and outstanding Medicaid recoveries for all sources. This report is for activity during the period July 1, 2015 through June 30, 2016.

Sincerely,

Roderick L. Bremby
Commissioner

RLB:JFM
Attachment

Cc: Kathleen Brennan, Deputy Commissioner
George Jepsen, Attorney General
Kevin Kane, Chief State's Attorney
Krista Ostaszewski, Legislative Liaison

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Connecticut Department of Social Services

*Making a Difference*

The Office of Quality Assurance ("QA") is responsible for ensuring the fiscal and programmatic integrity of programs administered by the Department of Social Services ("Department"). In addition, QA is responsible for ensuring the integrity of administrative functions of the Department. QA has five separate divisions, each with unique program integrity functions: Audit, Investigations and Recoveries, Special Investigations, Quality Control and Third Party Liability.

## Audit Division

The Audit Division ensures compliance, efficiency, and accountability within federal and state programs administered by the Department by detecting and preventing mismanagement, waste and program abuse and ensuring that state and federal dollars are spent appropriately, responsibly, and in accordance with applicable laws and regulations. To achieve this objective, the Audit Division:

- Performs federally mandated audits of medical and health care providers that are paid through the various medical assistance programs administered by the Department;
- Reviews medical provider activities, audits claims, identifies overpayments, and educates providers on program integrity issues;
- Provides support and assistance to the Department's Special Investigations Division in the ongoing effort to combat fraud and abuse;
- Performs audits of the Department's operations, involving review of administrative and programmatic functions and the electronic data processing systems used in their support;
- Coordinates the Department's responses to all outside audit organization's reviews performed on the Department, including but not limited to, the State Auditors of Public Accounts and federal audit organizations;
- Reviews federal and state single audit reports and performs audits of financial, administrative and programmatic functions of the Department's grantees;
- Performs data analytics to identify aberrant billing activity and pursues collection of such overpayments; and
- Substantiates whether complaints received from various sources are valid and determines the proper disposition of the complaint including conducting an audit or forwarding to the Department's Special Investigations Division.

## Investigations and Recoveries Division

The Investigations and Recoveries Division is comprised of two units; the Client Investigations Unit and the Resources and Recoveries Unit. Both units have investigation staff located at both central and statewide field office locations.

- **Client Investigations Unit** investigates alleged client fraud in various programs administered by the Department. This unit performs investigations via pre-eligibility, post-eligibility and other fraud investigation measures that include, but are not limited to, data integrity matches with other state and federal agencies. This unit also oversees the toll-free Fraud Hotline 1-800-842-2155 that is available to the public to report situations where it's perceived that a public assistance recipient, a provider, or a medical provider may be defrauding the state.
- **Resources and Recoveries Unit** is charged with ensuring that the Department is the payer of last resort for the cost of a client's care by detecting, verifying, and utilizing third-party resources; establishing monetary recoveries realized from liens, mortgages, and property sales; and establishing recoveries for miscellaneous overpayments.

## Special Investigations Division

The Special Investigations Division is comprised of two units; Provider Investigations and Provider Enrollment. Integration of the Office of Quality Assurance's Provider Enrollment functions within the Special Investigation Division enhances the integrity of the Connecticut Medical Assistance Program (CMAP). The review of provider enrollment applications is the first line of defense against fraud.

- **Provider Investigations Unit** is charged with the responsibility of coordinating and conducting activities to investigate allegations of fraud in CMAP. When appropriate, credible allegations of fraud are referred to the Department's law enforcement partners pursuant to a memorandum of understanding (MOU). Parties to the MOU are the Office of the Chief State's Attorney, the Office of the Attorney General and the U.S. Department of Health and Human Services' Office of the Inspector General. Each entity is responsible for independently investigating the Department's referral to determine if a criminal and/or civil action is appropriate.
- **Provider Enrollment Unit** is responsible for the review and approval of all provider enrollment and re-enrollment applications, on an on-going basis. This Unit also shares responsibility for ensuring the implementation of and adherence with the requirements for provider enrollment pursuant to 42 CFR 455 Subparts B and E and the Affordable Care Act. Coordination of efforts between the Provider Investigations Unit and Provider Enrollment Unit strengthens Connecticut's program integrity efforts.

## Quality Control Division

The Quality Control Division is responsible for the federally-mandated reviews of child care, Medicaid, and the Supplemantal Nutrition Assistance Programs (SNAP). A newly-established set of federally-required Medicaid reviews has been implemented under the Payment Error Rate Measurement program. Reviews of Temporary Assistance for Needy Families cases and special projects may also be performed by this unit.

## Third Party Liability Division

The Third Party Liability Division is responsible for the Department's compliance with federal Third Party Liability requirements and recovering tax-payer funded health care from commercial health insurance companies, Medicare and other legally liable third parties. The Division manages programs that identify client third party coverage and recover client health care costs.

# Audit Division Statistics 07/01/15 – 06/30/16

Audits were conducted on 110 providers. The total amount of overpayments identified due to audits was $14,490,192, the total amount of avoided costs identified was $6,959,595 and the total amount of overpayments recovered was $11,468,696. A total of 3 audits resulted in referrals to the Provider Investigations Unit. [Table 1.1]

**Table 1.1**

| Provider Type | Number of Audits | Amount of Overpayments Identified | Amount of Avoided Costs Identified | Amount of Overpayments Recovered | Referred to Provider Investigations Unit |
|---|---|---|---|---|---|
| General Hospital | 3 | $ 3,010,439 | $ 1,204,174 | $ 2,708,495 | 0 |
| CT Home Care Program | 33 | $ 616,457 | $ 308,224 | $ 861,762 | 0 |
| DDS Waiver Program | 10 | $31,843 | $15,920 | $19,859 | 0 |
| Physician, MD-Group | 10 | $2,559,329 | $1,279,664 | $721,195 | 0 |
| Optician | 1 | $35,089 | $17,544 | $35,089 | 0 |
| Dentist | 1 | $254 | $127 | $80,549 | 1 |
| Dentist-Group | 4 | $130,426 | $65,212 | $82,170 | 0 |
| Community Clinic | 4 | $200,972 | $100,486 | $25,972 | 0 |
| Home Health Agency | 11 | $578,341 | $304,722 | $746,934 | 1 |
| Pharmacy | 23 | $1,767,015 | $883,508 | $1,609,067 | 0 |
| Medical Equipment Supplier | 5 | $701,273 | $350,637 | $218,850 | 1 |
| Independent Laboratory | 4 | $4,858,480 | $2,429,240 | $4,358,480 | 0 |
| Optometrist | 1 | $274 | $137 | $274 | 0 |
| Total | 110 | $14,490,192 | $6,959,595 | $11,468,696 | 3 |

Note: Amount of overpayments identified is representative of audits closed in SFY 2016; however, overpayments recovered may be for audits conducted and closed prior to SFY 2016.

In addition to audits referenced in Table 1.1, the Audit Division also completed 114 integrity reviews/audits which resulted in identifying $8,880,085 of overpayments, $57,714,373 in avoided costs and $8,815,282 of recovered overpayments. [Table 1.2]

**Table 1.2**

| Type of Audit/Review | Number of Audits | Amount of Overpayments Identified | Amount of Avoided Costs Identified | Amount of Overpayments Recovered |
|---|---|---|---|---|
| Required self-reporting audits | 40 | $8,422,965 | $0 | $8,422,965 |
| Claims Analysis Integrity Reviews | 68 | $457,120 | $182,731 | $392,317 |
| Internal Audits | 6 | $0 | $57,531,642 | $0 |
| Total | 114 | $8,880,085 | $57,714,373 | $8,815,282 |

A total of 301 complaints were received. A total of 13 complaints resulted in referrals to the Special Investigations Division. Table 1.3 identifies the number of complaints received for each source. The Department does not track reasons for complaints.

**Table 1.3**

| Source of Complaint | Number of Complaints |
|---|---|
| Fraud Hotline | 161 |
| E-mail | 106 |
| Phone Call | 2 |
| Letter | 22 |
| Memo | 4 |
| News Article | 6 |
| Total | 301 |

# Audit Contractor Statistics 07/01/15 – 06/30/16

Ten audits were conducted by HMS Recovery Audit Contractor (RAC) which resulted in a total of $351,138 in overpayments identified, $175,568 in avoided costs identified and $140,075 in overpayments being recovered. [Table 1.4]

**Table 1.4**

| Provider Type | Number of Audits | Amount of Overpayments Identified | Amount of Avoided Costs Identified | Amount of Overpayments Recovered |
|---|---|---|---|---|
| ABI - Acquired Brain Injury | 1 | $10,165 | $5,082 | $5,647 |
| Dentist - Group | 9 | $340,973 | $170,486 | $134,428 |
| Total | 10 | $351,138 | $175,568 | $140,075 |

189 Long Term Care audits were conducted by HMS and Myers & Stauffer which resulted in a total of $11,656,179 in overpayments identified and $11,656,179 in overpayments being recovered. [Table 1.5]

**Table 1.5**

| Contractor | Number of Audits | Amount of Overpayments Identified | Amount of Overpayments Recovered |
|---|---|---|---|
| HMS | 99 | $8,263,651 | $8,263,651 |
| Myers & Stauffer | 90 | $3,392,528 | $3,392,528 |
| Total | 189 | $11,656,179 | $11,656,179 |

# Special Investigations Division 07/01/15 – 06/30/16

## Provider Investigations Unit

A total of 35 investigations were opened. A total of 31 investigations were referred to law enforcement for further action. A total of 9 investigations were closed by Investigations and, if applicable, forwarded to the Audit Division for whatever action deemed appropriate. Per a memorandum of understanding, referrals to law enforcement include the Connecticut Office of the Chief State's Attorney – Medicaid Fraud Control Unit (MFCU); the Connecticut Office of the Attorney General (AG); and the United States Department of Health and Human Services, Office of the Inspector General, Office of Investigations (OI). [Table 1.6]

| Table 1.6 | | | | |
|---|---|---|---|---|
| Source | Provider Type | Investigations Opened | Investigations Referred to Law Enforcement | Investigations Closed |
| Audit Division | CHC Performing Provider | 1 | 0 | 0 |
| Audit Division | Dentist | 0 | 0 | 1 |
| Audit Division | Dental Group | 2 | 0 | 2 |
| Audit Division | DME/MEDS | 1 | 2 | 0 |
| Audit Division | Physician | 1 | 0 | 0 |
| Complaint | ABI Provider* | 1 | 2 | 0 |
| Complaint | CHC Performing Provider | 1 | 2 | 0 |
| Complaint | Chiropractor | 2 | 2 | 0 |
| Complaint | Personal Care Assistant | 5 | 8 | 0 |
| Contractor | Alcohol & Drug Abuse Center | 0 | 1 | 0 |
| Contractor | Behavioral Health Clinician | 2 | 2 | 0 |
| Contractor | Behavioral Health Clinician Group | 3 | 5 | 0 |
| Contractor | Clinic | 1 | 0 | 1 |
| Contractor | Dentist | 1 | 1 | 0 |
| Contractor | Dental Group | 4 | 2 | 3 |
| Contractor | Independent Lab | 2 | 2 | 1 |
| Contractor | Personal Care Assistant | 2 | 0 | 0 |
| Contractor | Physician | 1 | 0 | 1 |
| Contractor | Physician Group | 1 | 1 | 0 |
| Data Mining | Behavioral Health Clinician | 3 | 0 | 0 |
| Other State Agency | Dentist | 1 | 1 | 0 |
| Total | | 35 | 31 | 9 |

*MEDS – Medical Equipment, Device and Supplies
ABI-Acquired Brain Injury

A total of $2,587,486 in overpayments in SFY 2016 was identified due to referrals to law enforcement.

All 31 investigations referred to law enforcement were completed within 12 months or less. Table 1.7 identifies the length of time that elapsed from the opening of the investigation to the closing of the investigation (referral).

| Table 1.7 | |
|---|---|
| **Time Range** | **Investigations Completed and Referred to Law Enforcement** |
| Less than one month to six months | 25 |
| Seven months to twelve months | 6 |
| Thirteen months to twenty four months | 0 |
| Twenty five months or more | 0 |
| **Total** | **31** |

A total of 8 payment suspensions were initiated and 18 payment suspensions were in place in SFY 2016. Seventeen provider enrollments were terminated or suspended. [Table 1.8]

| Table 1.8 | | | | |
|---|---|---|---|---|
| **Source** | **Provider Type** | **Payment Suspensions initiated in SFY 2016** | **Payment Suspensions in place SFY 2016** | **Provider Enrollments Terminated or Suspended** |
| Audit Division | Dental Group | | 1 | |
| Audit Division | Home Health | | 1 | |
| Complaint | Behavioral Health Clinician | 1 | 2 | 1 |
| Complaint | Behavioral Health Clinician Group | 1 | 1 | |
| Complaint | Dentist | 1 | | 1 |
| Complaint | Dental Group | | 1 | |
| Complaint | Physician-Psychiatry | | 1 | 1 |
| Contractor | Behavioral Health Clinician Group | 1 | 1 | 1 |
| Data Mining | Behavioral Health Clinician | 1 | 1 | 1 |
| Data Mining | Behavioral Health Clinician Group | | 1 | 1 |
| Data Mining | Independent Laboratory | | 1 | |
| Law Enforcement-Federal | MEDS | | 1 | |
| Law Enforcement-State | Dental Group | | 1 | |
| Other State Agency | APRN | 1 | 1 | 1 |
| Other State Agency | DDS Provider | | | |
| Previous Referral | Behavioral Health Clinician Group | 2 | 2 | |
| Previous Referral | Dentist | | 1 | |
| Previous Referral | Dental Group | | | |
| Previous Referral | Independent Laboratory | | 1 | |
| **Total** | | **8** | **18** | **7** |

# Investigations and Recoveries Division Statistics 07/01/15 – 06/30/16

The below information is supplemental to information required by Public Act No. 13-293.

A total of $42,533,967 in avoided costs and recoveries are reported from the Investigations and Recoveries Division. [Table 1.9]

| Table 1.9 | |
|---|---|
| | **Amount** |
| **Cost Avoidance & Recoveries – Client Investigations** | **$14,396,396** |
| **Cost Avoidance & Recoveries – Resources and Recoveries** | **$28,137,571** |
| **Total** | **$42,533,967** |

In SFY 2016, 31 arrest warrants were referred to State's Attorney's Office for criminal prosecution. Of those 31 warrants, 26 resulted in arrests.

# Third Party Liability Division Statistics 07/01/15– 06/30/16

A total of 1,289,252 claims were selected for billing to commercial health insurance and Medicare with a total amount billed of $172,784,119 for SFY 2016. Below is a breakdown of this information for the last three fiscal years. [Table 2.0]

| Table 2.0 | | | | | | |
|---|---|---|---|---|---|---|
| | **SFY 2014** | | **SFY 2015** | | **SFY 2016** | |
| | **# of Claims** | **Amount Billed** | **# of Claims** | **Amount Billed** | **# of Claims** | **Amount Billed** |
| **Commercial Insurance** | **2,035,520** | **$239,390,154** | **1,596,839** | **$202,531,223** | **1,278,756** | **$164,433,433** |
| **Medicare** | **27,580** | **$6,225,381** | **28,420** | **$14,924,309** | **10,496** | **$8,350,686** |
| **Total** | **2,063,100** | **$245,615,536** | **1,625,259** | **$217,455,532** | **1,289,252** | **$172,784,119** |

A total of 190,630 claims were recovered with a total amount of $34,476,855 collected due to claims recovered from commercial insurance and Medicare for SFY 2016. Below is a breakdown of this information for the last three fiscal years. [Table 2.1]

**Table 2.1**

| | SFY 2014 | | SFY 2015 | | SFY 2016 | |
|---|---|---|---|---|---|---|
| | # of Claims | Amount Collected | # of Claims | Amount Collected | # of Claims | Amount Collected |
| Commercial Insurance | 223,520 | $23,810,525 | 245,310 | $33,049,317 | 188,050 | $31,783,756 |
| Medicare | 19,492 | $4,774,145 | 4,262 | $4,776,034 | 2,580 | $2,693,099 |
| Total | 243,012 | $28,584,670 | 249,572 | $37,825,350 | 190,630 | $34,476,855 |

A total of 711,199 claims with a total amount of $98,410,427 were denied by commercial health insurance for SFY 2016. Below is a breakdown of this information for the last three fiscal years. [Table 2.2]

**Table 2.2**

| SFY 2014 | | SFY 2015 | | SFY 2016 | |
|---|---|---|---|---|---|
| Claims | Dollars | Claims | Dollars | Claims | Dollars |
| 1,307,794 | $143,472,683 | 1,385,315 | $157,089,856 | 711,199 | $98,410,427 |

Reasons for commercial health insurance denial:

- Client did not have coverage that was in effect at time of service
- Health care service is not covered
- Deductible/copay was not met
- Health insurance plans maximum benefit for service had been met

Table 2.3 identifies the total number of files updated in the Department's client eligibility records; as well as, a breakdown of commercial health insurance policies added, changed or deleted.

**Table 2.3**

| SFY 2014 | | | | SFY 2015 | | | | SFY 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Additions | Changes | Deletions | Total | Additions | Changes | Deletions | Total | Additions | Changes | Deletions | Total |
| 94,083 | 53,248 | 2,298 | 149,629 | 138,750 | 37,552 | 2,839 | 179,141 | 157,707 | 61,894 | 1,498 | 221,099 |

A total of 536,322 health care claims were denied due to client health insurance or Medicare, resulting in a total amount of $446,151,753 in costs avoided for SFY 2016. [Table 2.4]

| Table 2.4 | | |
|---|---|---|
| **Other Payment Source** | **Number of Claims** | **Dollar Amount** |
| **Commercial Insurance** | **311,553** | **$251,787,446** |
| **Medicare** | **224,769** | **$194,364,308** |
| **Total** | **536,322** | **$446,151,753** |

Table 2.5 identifies the Medicaid dollar amount of Home Health and Skilled Nursing Facility services recovered through Medicare appeals.

| Table 2.5 | |
|---|---|
| **Provider Type** | **Dollar Amount** |
| **Home Health** | **$289,902** |
| **Skilled Nursing Facility** | **$5,319,931** |
| **Total** | **$5,609,833** |

## Performance Standard

Table 2.6 identifies the return on investment (ROI) by division. ROI was calculated as (Division Recoveries + Cost Avoidance)/Division Cost.

| Table 2.6 | |
|---|---|
| **Division** | **Return on Investment** |
| **Audit Division** | **13.92** |
| **Investigations and Recoveries Division** | **4.76** |
| **Special Investigations Division** | **3.26** |
| **Third Party Liability Division** | **52** |

# Projected Cost Savings

## Audit Division

**The Audit Divisions projected cost savings for SFY 2017 are $75,500,000. [Table 2.7]**

| Table 2.7 | |
|---|---|
| **Description** | **Amount** |
| Audit Recoupments | $13,000,000 |
| Audit Cost Avoidance | $6,500,000 |
| Self-Reporting | $6,000,000 |
| Integrity Reviews | $50,000,000 |
| Total | $75,500,000 |

## Investigations and Recoveries Division

**The Investigations and Recoveries Division projected cost savings for SFY 2017 are $41,058,767. [Table 2.8]**

| Table 2.8 | |
|---|---|
| **Description** | **Amount** |
| Resources & Recoveries | $27,135,243 |
| Client Investigations | $13,923,524 |
| Total | $41,058,767 |

## Special Investigations Division

**The Provider Investigations Unit projected cost savings for SFY 2017 are $6,774,707. [Table 2.9]**

| Table 2.9 | |
|---|---|
| **Description** | **Amount** |
| Payment Suspensions | $4,274,707 |
| Global Settlements | $2,500,000 |
| Total | $6,774,707 |

## Third Party Liability Division

**The Third Party Liability Division projected cost savings for SFY 2017 are $567,472,352 Table 3 identifies the projected cost avoidance, health insurance and Medicare recovery and Medicare Maximization recoveries for SFY 2017.**

| Table 3.0 | |
|---|---|
| **Description** | **Amount** |
| **Cost Avoidance** | **$527,535,472** |
| **Benefit Recovery** | **$32,510,340** |
| **Medicare Maximization Recoveries** | **$7,426,540** |
| **Total** | **$567,472,352** |

# New Initiatives to Prevent and Detect Overpayments

## Audit Division

**Provider Audit Unit:**

- Develop standard forms on Microsoft Access for each provider type. This will increase efficiency by reducing the amount of time for completing reports, will clearly identify for staff what they needs to be accomplished to complete the audits, and will limit the time for reviewing the report and workpapers by the supervisor and manager.
- Develop internal audit reports for cost avoidance and increase federal reimbursement based on audits of providers.

## Investigations and Recoveries Division

**Client Investigations Unit:**

- The Client Investigations Division will continue to investigate recipient EBT SNAP trafficking referrals through a coordinated and dedicated team statewide approach.
- The Client Investigations Division will continue to focus on increasing the number of arrest warrant affidavits processed and referred for arrests and prosecution.
- The Client Investigations Division will continue to emphasize staff individualized training plans focusing on increased knowledge of the latest technological advances to combat fraud, waste and abuse via social media monitoring and data analytics.
- The Client Investigations Division will continue to cross-train staff to assist in enhancing knowledge of the workforce.
- The Client Investigations Division will continue to conduct monthly supervisory meetings and semi-annual statewide training seminar/meetings.
- The Client Investigations Division will continue to share monthly statistical data, updates and best practices with statewide divisional staff.
- The Client Investigations Division will continue to address and screen a high percentage of Fraud Hotline complaints 'live' the same day they are received.

## Special Investigations Division

The primary mission of the Special Investigations Division (SID) is to investigate potential cases of provider fraud, waste or abuse. This mission is accomplished through constant monitoring of national and local trends as well as seeking new ways to enhance the Division's detection of aberrant providers through data mining and collaboration with other state agencies.

**Referrals to Law Enforcement:**

- Continued efforts to enhance communication between all law enforcement partners to include the development of a secure website. This website, only accessible by DSS SID and their law enforcement partners, would be a centralized location to store all active DSS referrals and case listing. This structure would allow ease of transmission and retrieval of the DSS referrals and law enforcement's requests for assistance. This site is currently under development by the DSS IT Department and scheduled for release January 2017.
- Updating the SID's case tracking in order to minimize the time required to complete state and federal requests for information.
- Continue to develop ways to minimize the investigation time prior to making the referral to law enforcement.

**Provider Enrollment:**

- Integrating the QA's Provider Enrollment functions with those of the Special Investigations Division to enhance CMAP program integrity. This is done with the understanding that Provider Enrollment can be the first line of defense against fraud.
- Implementing federal ACA provider enrollment requirements that include, but are not limited to, finger printing of high risk providers and revalidation of all enrolled CMAP providers.

**Staff:**

- Encourage staff development by taking advantage of training provided by the Medicaid Integrity Institute, a federally reimbursed training program.

## Third Party Liability Division

- Working in conjunction with Health Management Systems (HMS) the Department will continue to expand its matching and verification with Medicare Parts A, B & D to minimize the Medicaid payments for pharmacy, institutional and professional health care services. The Department plans to implement new Physician Pharmacy and Workers Compensation recovery projects.
- The Department is negotiating a settlement with the Center for Medicare & Medicaid Services (CMS) to resolve outstanding CTDSS home health and skilled nursing facility Medicare appeals at the Administrative Law Judge level of appeal.
- Expected savings will be approximately $5 million per year.

**Office of the Attorney General**
**State of Connecticut**
**Annual General Assembly Medicaid Joint Report**
**Fiscal Year July 1, 2015 - June 30, 2016**

The Office of the Connecticut Attorney General ("CT OAG") has primary responsibility for enforcing the Connecticut False Claims Act, Conn. Gen. Stat. §17b-301a, *et seq.*, as amended by 2014 Conn. Public Acts #14-217, §§ 1-18, 257, (the "Act"), which provides, *inter alia*, a civil cause of action to recover treble damages incurred by certain Connecticut healthcare-related programs due to the submission of fraudulent and false claims. The CT OAG's Antitrust and Government Program Fraud Department has operational responsibility for the conduct of investigations and civil enforcement actions under the Act. The CT OAG's mission here is to protect Connecticut's health and human service programs from fraudulent, wasteful and abusive schemes.

The primary focus of the CT OAG's health care fraud efforts is to detect, investigate and civilly prosecute health care provider fraud that results in financial loss to the State of Connecticut's health and human services' programs, including the Connecticut Medical Assistance Program (of which Medicaid is a part). The CT OAG develops cases independently and in conjunction with other state and federal law enforcement and regulatory agencies. CT OAG staffing for these efforts includes Assistant Attorneys General, Forensic Fraud Examiners and Legal Investigators.

The data required by Conn. Gen. Stat. §17b-99(d) is presented in the attached report. In addition, in accordance with Conn. Gen. Stat. §17b-99(f) the CT OAG provides the following information:

## 1. Operational Protocols

The CT OAG utilizes a number of operational protocols to ensure it conducts its investigations efficiently and effectively, and utilizes the relevant tools at its disposal to obtain and assess probative information garnered through the investigation in order to reach the appropriate disposition in a given matter.

Among these protocols are:

a) Intake and assessment of agency referrals and complaints – the CT OAG follows a uniform approach in evaluating referrals it receives from federal and state agencies along with complaints from the public and other sources. Among the factors considered in opening an investigation are whether the allegations have indicia of reliability, the potential loss to the Medicaid program resulting from the alleged violation, and resource constraints. The CT OAG's practice is to accept or reject a referral from the DSS within forty-five (45) days from receipt of the referral, although such decisions are usually made within a shorter time period.

b) Development of investigative plans – At the beginning of each investigation assigned investigative staff will develop an investigative plan, which will be refined and updated as necessary. Where appropriate, investigative plans are developed in coordination with other agencies that may also be investigating the same matter (typically the Chief State's Attorney's Medicaid Fraud Control Unit and/or the U.S. Department of Health and Human Services Office of the Inspector General/Office of Investigations).

c) Appropriate use of compulsory process to obtain documents and/or testimony – Where necessary subpoenas duces tecum (documents) and subpoenas ad testificandum (testimony) are utilized to obtain relevant information and evidence, and determine whether (i) there is a violation, (ii) the matter should be closed, or (iii) an alternate disposition is appropriate.

d) Regular status meetings with investigative staff – investigative staff meet with the assigned AAGs and the Chief of the department on a regular and "as needed" basis to assess the progress of the investigation or to discuss important issues or strategic considerations.

**2. Projected Cost Savings**

The CT OAG does not incorporate projected cost savings or recoveries into its long range operational plans. Rather, as discussed above, specific investigations are pursued based upon the indicia of reliability of the allegations, the quality of the evidence developed, and if the investigation leads to a basis for believing that there is a false claims violation, the potential for recovery to the Medicaid program, along with resource constraints. Similarly, the amount of Medicaid spend may be a factor in identifying specific data mining initiatives to develop new avenues of investigation (see subsection 3(c), below).

**3. New Initiatives**

During the past fiscal year the CT OAG has embarked on a number of new initiatives to identify, investigate, civilly prosecute and recover Medicaid program funds lost due to fraud, waste and abuse. Many of these initiatives are developed and conducted jointly with various federal and state agencies. Others are developed unilaterally within the CT OAG.

Among the initiatives implemented and/or further developed during this fiscal year are:

a) Training – general and specialized training programs exist in the marketplace that will assist in enhancing the knowledge and skillset of the CT OAG's staff and better prepare the staff for its mission. Accordingly, the CT OAG is exploring options for additional training for its attorneys, forensic fraud examiners and investigators. Training programs that might be suitable for staff training are offered by, *e.g.*, the National Association of Medicaid Fraud Control Units, the U.S. Department of Justice's Medicaid Integrity Institute, and the National Health Care Anti-Fraud Association.

b) Liaison/coordination with private health care payors – the CT OAG is renewing an emphasis on strengthening its relationships with private payors and

establishing formal and informal procedures to share intelligence in an effort to identify additional referral and investigational leads.

c) Intelligence driven investigations – through its access to a third-party data analytic consultant contracted with the Office of Policy Management and the Department of Social Services, the CT OAG is placing greater emphasis on undertaking pro-active, intelligence driven investigations that utilize sophisticated data mining techniques and social network analysis. This new capability will assist the OAG and its partner agencies in identifying new health care sectors for analysis and possible investigation and/or potential specific fraudulent conduct for further investigation.

d) Unified state complaint website – the CT OAG worked with various state agencies to develop and launch a unified fraud reporting website to provide a "one stop" source to make it easier for the public to report fraud. The website's content provides information on the types of fraudulent conduct or false claims that impact state programs (i.e., healthcare, tax, competition) and examples of the conduct that may be violations of law. The website will enhance the public's ability to direct the complaint to the most appropriate agency. The website can be found at: www.fightfraud.ct.gov

# Office of the Attorney General
## State of Connecticut
## Annual General Assembly Medicaid Joint Report
## Fiscal Year July 1, 2015 - June 30, 2016
## Medicaid Joint Report

**Number of investigations opened by source type:**

| | |
|---|---|
| CT - DCP | 2 |
| CT - DDS | 1 |
| CT - DPH | 1 |
| DSS | 31 |
| Fraud Tips | 1 |
| NAMFCU | 22 |
| Other | 3 |
| Private Citizen | 1 |
| Qui Tam Relator | 54 |
| US HHS-OIG | 1 |

**Total investigations opened:** 117

**General nature of allegations by provider type:**

**Provider type:** Acquired Brain Injury- 52 **Total:** 2

| Nature of Allegations | Count |
|---|---|
| Services not rendered | 2 |

**Provider type:** All Other Providers - 98 **Total:** 7

| Nature of Allegations | Count |
|---|---|
| False reporting of price | 1 |
| Falsified records | 1 |
| Overcharging | 2 |
| Retaining overpayments | 1 |
| Services not medically necessary | 1 |
| Upcoding | 1 |

**Provider type:** Behavioral Health Clinician Group - 86 **Total:** 3

| Nature of Allegations | Count |
|---|---|
| Overcharging | 2 |
| Services not rendered | 1 |

**Provider type:** Behavioral Health Clinician- 33 **Total:** 6

| Nature of Allegations | Count |
|---|---|
| Licensing non-compliance | 1 |
| Services not rendered | 4 |
| Unbundling | 1 |

**Provider type:** Chiropractor- 15 **Total:** 2

| Nature of Allegations | Count |
|---|---|
| Upcoding | 2 |

**Provider type:** Clinic- 08 **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Services not rendered | 1 |

**Provider type:** CT Home Care Program- 57 **Total:** 4

| Nature of Allegations | Count |
|---|---|
| Services not rendered | 4 |

**Provider type:** Dentist Group- 76 **Total:** 4

| Nature of Allegations | Count |
|---|---|
| Excessive services | 1 |
| Services not medically necessary | 1 |
| Services not rendered | 2 |

**Provider type:** Dentist- 27 **Total:** 2

| Nature of Allegations | Count |
|---|---|
| Services not rendered | 2 |

**Provider type:** DME/Medical Supply Dealer- 25 **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Overcharging | 1 |

**Provider type:** Extended Care Facility- 03 **Total:** 4

| Nature of Allegations | Count |
|---|---|
| Quality of care | 1 |
| Services not rendered | 3 |

**Provider type:** Home Health Agency- 05 **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Overcharging | 1 |

**Provider type:** Laboratory- 28 **Total:** 6

| Nature of Allegations | Count |
|---|---|
| Excessive services | 1 |
| Kickbacks | 3 |
| Services not medically necessary | 1 |
| Services not rendered | 1 |

**Provider type:** Managed Care Organization Non-Federally Licensed Health Plan - 88 **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Services not medically necessary | 1 |

**Provider type:** Other- not within scope of CT False Claims Act **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Other- not within scope of CT False Claims Act | 1 |

**Provider type:** Personal Care Services - 36 **Total:** 6

| Nature of Allegations | Count |
|---|---|
| Services not rendered | 6 |

**Provider type:** Pharmaceutical/ medical device company **Total:** 45

| Nature of Allegations | Count |
|---|---|
| False reporting of price | 1 |
| Kickbacks | 20 |
| Multiple billing | 1 |
| Off-label marketing | 14 |
| Overcharging | 5 |
| Quality of care | 1 |
| Safety/Quality Control | 2 |
| Upcoding | 1 |

**Provider type:** Pharmacy- 24 **Total:** 15

| Nature of Allegations | Count |
|---|---|
| Drug diversion | 1 |
| Excessive services | 1 |
| Falsified records | 1 |
| Kickbacks | 4 |
| Licensing non-compliance | 2 |
| Most favored nation pricing | 1 |
| Overcharging | 3 |
| Retaining overpayments | 1 |
| Safety/Quality Control | 1 |

**Provider type:** Physician Group- 72 **Total:** 1

| Nature of Allegations | Count |
|---|---|
| Overcharging | 1 |

**Provider type:** Physician- 31 **Total:** 3

| Nature of Allegations | Count |
|---|---|
| Multiple billing | 1 |
| Services not rendered | 2 |

**Provider type:** Therapist Group- 87 **Total:** 2

| Nature of Allegations | Count |
|---|---|
| Overcharging | 1 |
| Services not medically necessary | 1 |

## Length of investigation for each case closed during reporting period:

| Matter Number | Matter Name | Less than one month to six months | Seven months to twelve months | Thirteen months to twenty-four months | Twenty-five or more months |
|---|---|---|---|---|---|
| 355443 | US ex rel Kieff/LaCorte v Wyeth/ Pfizer (Protonix) | | | | ✓ |
| 422006 | J & L MEDICAL SERVICES | | | | ✓ |
| 422056 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 422325 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 422878 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 422942 | CORNERSTONES PC | | | | ✓ |
| 422944 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 423074 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 423079 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 423430 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 424136 | QUEST LABORATORIES | | | | ✓ |
| 424206 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 424617 | CVS (OXYCODONE, OXYCONTIN, ROXICODONE) GLOBAL | | | | ✓ |
| 424870 | INSPIRE PHARMACEUTICALS, INC. GLOBAL | | | | ✓ |
| 425827 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 427733 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 427979 | WYETH (PROTONIX) GLOBAL | | | | ✓ |
| 429734 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |

| | | | | | |
|---|---|---|---|---|---|
| 433196 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 435211 | KATHLEEN ENNIS DBA KE HEALTH SERVICES, LLC. | | | | ✓ |
| 438541 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 440312 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 442124 | NAIMETULLA SYED, MD | | | | ✓ |
| 442483 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 443320 | NOVARTIS (KESTER-EXJADE/ MYFORTIC) GLOBAL | | | | ✓ |
| 443665 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 445517 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 452308 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 452326 | WAL-MART (DUR) GLOBAL | | | | ✓ |
| 452865 | State of CT v Patrick Pollak, DMD | | | | ✓ |
| 454019 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 455636 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 457047 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 457320 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 463507 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 466991 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 469728 | PEDIATRIC SERVICES OF AMERICA (GLOBAL) | | | ✓ | |
| 471458 | ASTRA ZENECA (STRECK/ AMP) GLOBAL | | | ✓ | |
| 472926 | PANOOR, LEELA A., MD | | | ✓ | |
| 473203 | REM CT COMMUNITY SERVICES, INC. | | | | ✓ |
| 474164 | NuVasive (CoRoent) GLOBAL | | | ✓ | |
| 900131 | US ex rel DeGuzman v Inspire Pharmaceuticals, Inc. | | | | ✓ |
| 900159 | US ex rel Shields v Genentech, Inc et al | | | | ✓ |
| 900164 | US ex rel Alexander v Warner Chilcott PLC | | | | ✓ |
| 900166 | US ex rel DeGuzman v Inspire Pharmaceuticals, Inc. | | | | ✓ |
| 900180 | US ex rel Sehgal v Gilead Sciences, Inc. | | | | ✓ |
| 900186 | US ex rel. Kurnik v. Amgen, Inc., et al. | | | | ✓ |
| 900188 | US ex rel Wible v Warner Chilcott | | | | ✓ |
| 900190 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 900195 | US ex rel Winkelman v CVS Caremark Corporation | | | | ✓ |
| 900203 | US ex rel Slowik v Olympus America, Inc. | | | | ✓ |
| 900248 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |

| | | | | | |
|---|---|---|---|---|---|
| 900250 | State of CT v Anusavice/ Zamani | | | | ✓ |
| 900258 | US ex rel Kelly v Novartis Pharmaceuticals Corp | | | | ✓ |
| 900260 | US ex rel Nargol v Depuy Orthopaedics, Inc. | | | | ✓ |
| 900273 | US ex rel Bryan v Wal-Mart Stores, Inc. | | | | ✓ |
| 900279 | US ex rel Schenkman v EBI, LLC/ Biomet, Inc. | | | | ✓ |
| 900281 | US ex rel Fox Rx v Omnicare, Inc./ Neighborcare | | | | ✓ |
| 900291 | US ex rel Wise v Prasco LLC dba Prasco Labs | | | | ✓ |
| 900313 | US ex rel Porter v Qualitest Pharmaceuticals, Inc. | | | | ✓ |
| 900314 | US ex rel Hagerty v Cyberonics, Inc. | | | | ✓ |
| 900325 | US ex rel Ardoin v UCB, Inc. | | | | ✓ |
| 900326 | US ex rel Fryer v. Steris Corporation | | | | ✓ |
| 900330 | US ex rel Rahimi v Medco Health Solutions | | | | ✓ |
| 900333 | US ex rel McCray v Pediatric Service of America | | | | ✓ |
| 900365 | US ex rel Fenn v. Conceptus, Inc. | | | | ✓ |
| 900368 | US ex rel Ryan v Nuvasive, Inc. | | | ✓ | |
| 900370 | US ex rel SMFPA LLC v. Omnicare, Inc./Neighborcare | | | ✓ | |
| 900372 | US ex rel O'Dell v. Strata Pathology Services, Inc | | | ✓ | |
| 900377 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | | ✓ |
| 900379 | US ex rel Rush v. Walgreen Co. | | | | ✓ |
| 900380 | US ex rel Orszulik v. Thermo Fisher Scientific | | | | ✓ |
| 900393 | US ex rel Piacentile v. Endothelix, Inc. | | | ✓ | |
| 900394 | US ex rel Ambrosecchia v Paddock Laboratories, LLC | | | ✓ | |
| 900399 | US ex rel Grefe v. Novartis Pharmaceuticals Corp | | | | ✓ |
| AF1402345 | US ex rel Levey v. Boston Scientific Corporation | | | ✓ | |
| AF1403136 | US & CT ex rel Hart v. J & L Medical Services LLC | | | ✓ | |
| AF1403985 | Thomas L. DeRienzo, DMD | | | ✓ | |
| AF1406176 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1406409 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1406983 | US ex rel Radice v. Astellas Pharma, Inc | | | ✓ | |
| AF1407045 | State of CT v. Saaid Cherkaoui | | | | ✓ |
| AF1409748 | US ex rel Harcourt v. Healogics, Inc | | | ✓ | |
| AF1410236 | US ex rel. Doe v. Philips Electronics | | | ✓ | |
| AF1410246 | Conceptus (Essure) Global | | | ✓ | |
| AF1410739 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1411172 | OSI/ Genentech (Tarceva) Global | | | ✓ | |

| | | | | | |
|---|---|---|---|---|---|
| AF1411829 | US ex rel Fox Rx v Walgreen Company | | | ✓ | |
| AF1411843 | US ex rel Fox Rx v Omnicare, Inc/ Neighborcare | | | ✓ | |
| AF1413064 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1414005 | Cephalon (Streck / AMP) Global | | | ✓ | |
| AF1414205 | US ex rel Shelby v. Spectracell Laboratories | | | ✓ | |
| AF1415773 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1416541 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | ✓ | | |
| AF1412872 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | | ✓ | |
| AF1418402 | US ex rel Kerri Glynn v. Leo Pharma, Inc | | ✓ | | |
| AF1503429 | Millennium Labs (Medical Necessity) Global | | ✓ | | |
| AF1416975 | Millennium Labs 2 Global | | ✓ | | |
| AF1505519 | Accredo (Exjade) Global | ✓ | | | |
| AF1510871 | Strata (Lab) Global | ✓ | | | |
| AF1509611 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | ✓ | | |
| AF1515792 | Olympus (Slowik) Global | | ✓ | | |
| AF1516847 | Pharmerica (Aranesp) Global | ✓ | | | |
| AF1517646 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1517662 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | ✓ | | |
| AF1517932 | US ex rel Prough v Sunovion Pharmaceuticals Inc | ✓ | | | |
| AF1518856 | US ex rel Laney v Millennium Health, LLC | | ✓ | | |
| AF1522272 | US ex rel Kelly v Novartis Pharmaceuticals Corp | | ✓ | | |
| AF1522721 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | | ✓ | | |
| AF1527157 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1527159 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1527160 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1527162 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1527164 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1527171 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1601355 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1602164 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1602412 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1603015 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1603017 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |

| | | | | | |
|---|---|---|---|---|---|
| AF1603344 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| AF1606585 | Philips Electronics (Respironics) Global | ✓ | | | |
| AF1609702 | CONFIDENTIAL MATTER AND/OR UNDER SEAL | ✓ | | | |
| | | Less than one month to six months | Seven months to twelve months | Thirteen months to twenty-four months | Twenty-five or more months |
| | **Total matters by time range:** | **19** | **10** | **27** | **67** |

## Final Disposition by provider type:

| Provider Type | Disposition | Count |
|---|---|---|
| Acquired Brain Injury- 52 | No Finding / Unsubstantiated | 1 |
| | Referred for Administrative Action | 1 |
| | Referred to Another Agency | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| All Other Providers - 98 | Judgment for plaintiff | 1 |
| | No Action Required | 3 |
| | Settlement Agreement | 3 |

| Provider Type | Disposition | Count |
|---|---|---|
| Behavioral Health Clinician Group - 86 | False Claims- withdrawn/dismissed by relator without prejudice | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Behavioral Health Clinician- 33 | No Action Required | 1 |
| | No Finding / Unsubstantiated | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Clinic- 08 | Referred for Administrative Action | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| CT Home Care Program Performing Provider- 58 | No Action Required | 1 |
| | Referred to Another Agency | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| CT Home Care Program- 57 | Referred to Another Agency | 3 |

| Provider Type | Disposition | Count |
|---|---|---|
| Dentist Group- 76 | No Action Required | 3 |
| | Referred to Another Agency | 2 |
| | Settlement Agreement | 5 |
| | Stipulated Judgment | 2 |

| Provider Type | Disposition | Count |
|---|---|---|
| Dentist- 27 | No Action Required | 1 |
| | Referred to Another Agency | 2 |
| | Settlement Agreement | 4 |

| Provider Type | Disposition | Count |
|---|---|---|
| DME/Medical Supply Dealer- 25 | Settlement Agreement | 2 |

| Provider Type | Disposition | Count |
|---|---|---|
| DMHAS TCM/DDS Billing Provider- 53 | No Action Required | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Extended Care Facility- 03 | No Action Required | 1 |
| | No Finding / Unsubstantiated | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| General Hospital - 01 | False Claims- withdrawn/dismissed by relator without prejudice | 2 |

| Provider Type | Disposition | Count |
|---|---|---|
| Laboratory- 28 | False Claims- withdrawn/dismissed by relator with prejudice | 1 |
| | False Claims- withdrawn/dismissed by relator without prejudice | 3 |
| | Informal Action- Matter Resolved | 1 |
| | Referred for Administrative Action | 1 |
| | Settlement Agreement | 2 |

| Provider Type | Disposition | Count |
|---|---|---|
| Managed Care Organization Federally Licensed Health Plan - 85 | False Claims- withdrawn/dismissed by relator without prejudice | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Medical Equipment Supplier - 62 | No Finding / Unsubstantiated | 1 |
| | Settlement Agreement | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Personal Care Services - 36 | No Action Required | 1 |
| | No Finding / Unsubstantiated | 1 |
| | Referred to Another Agency | 4 |

| Provider Type | Disposition | Count |
|---|---|---|
| Pharmaceutical/ medical device company | Appeal-Affirmed in Part/Reversed in part | 1 |
| | Dismissed with Memorandum | 3 |
| | False Claims- withdrawn/dismissed by relator without prejudice | 16 |
| | No Action Required | 3 |
| | Referred to Another Agency | 1 |
| | Settlement Agreement | 36 |

| Provider Type | Disposition | Count |
|---|---|---|
| Pharmacy- 24 | Appeal-Dismissed | 2 |
| | Dismissed with Memorandum | 1 |
| | False Claims- withdrawn/dismissed by relator with prejudice | 1 |
| | False Claims- withdrawn/dismissed by relator without prejudice | 4 |
| | No Action Required | 3 |
| | Referred to Another Agency | 1 |
| | Settlement Agreement | 1 |

| Provider Type | Disposition | Count |
|---|---|---|
| Physician Group- 72 | Settlement Agreement | 2 |

| Provider Type | Disposition | Count |
|---|---|---|
| Physician- 31 | No Action Required | 2 |
| | No Finding / Unsubstantiated | 1 |
| | Settlement Agreement | 3 |

| Provider Type | Disposition | Count |
|---|---|---|
| Therapist Group- 87 | Referred for Administrative Action | 1 |

## Recoveries during report period:

### AG Matter Number: 355443 - US ex rel Kieff & LaCorte v Wyeth/ Pfizer (Protonix)

**Total Amount per Matter (355443):** $12,084,721.65

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | State Program Recovery-DSS | 06/03/2016 | $2,000,000.00 |
| | Medicaid - Federal Share | 06/16/2016 | $5,109,974.30 |
| | Medicaid - State Share | 06/16/2016 | $4,974,747.35 |

### AG Matter Number: 422942 - CORNERSTONES PC

**Total Amount per Matter (422942):** $90,000.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - State Share | 07/10/2015 | $54,000.00 |
| | Medicaid - Federal Share | 07/10/2015 | $36,000.00 |

### AG Matter Number: 424136 - QUEST LABORATORIES

**Total Amount per Matter (424136):** $3,497,133.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 10/30/2015 | $1,748,566.50 |
| | Medicaid - State Share | 10/30/2015 | $1,748,566.50 |

### AG Matter Number: 435211 - KATHLEEN ENNIS DBA KE HEALTH SERVICES, LLC.

**Total Amount per Matter (435211):** $36,000.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 08/20/2015 | $14,400.00 |
| | Medicaid - State Share | 08/20/2015 | $21,600.00 |

### AG Matter Number: 442124 - NAIMETULLA SYED, MD

**Total Amount per Matter (442124):** $422,641.70

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 06/16/2016 | $123,887.10 |

| | | | |
|---|---|---|---|
| | Medicaid - State Share | 06/16/2016 | $20,775.99 |
| | Medicaid - State Share | 06/16/2016 | $165,054.67 |
| | Other | 06/16/2016 | $112,923.94 |

**AG Matter Number: 473203 - REM CONNECTICUT COMMUNITY SERVICES, INC.**

**Total Amount per Matter (473203):** $1,500,000.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 05/26/2016 | $594,512.50 |
| | Medicaid - State Share | 05/26/2016 | $594,512.50 |
| | Medicaid - Federal Share | 05/26/2016 | $155,487.50 |
| | Medicaid - State Share | 05/26/2016 | $155,487.50 |

**AG Matter Number: 900057 - UNITED STATES, EX REL. MEREDITH McCOYD v. ABBOTT LABORATORIES**

**Total Amount per Matter (900057):** $69,708.97

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 10/26/2015 | $41,426.71 |
| | Medicaid - State Share | 10/26/2015 | $16,102.63 |
| | Medicaid - State Share | 04/28/2016 | $12,179.63 |

**AG Matter Number: 900067 - UNITED STATES OF AMERICA ex rel. RONALD J. STRECK v. ALLERGAN, INC., ET AL.**

**Total Amount per Matter (900067):** $681,717.27

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 08/03/2015 | $25,744.90 |
| | Medicaid - State Share | 08/03/2015 | $29,459.37 |
| | State Program Recovery-DSS | 09/23/2015 | $25,930.46 |
| | Medicaid - Federal Share | 10/26/2015 | $93,107.03 |
| | Medicaid - State Share | 10/26/2015 | $96,800.41 |
| | State Program Recovery-DSS | 11/20/2015 | $20,000.00 |
| | Medicaid - State Share | 11/17/2015 | $181,699.83 |
| | Medicaid - Federal Share | 11/17/2015 | $208,975.27 |

**AG Matter Number: 900131 - UNITED STATES OF AMERICA, ex rel. JILL DeGUZMAN v. INSPIRE PHARMACEUTICALS, INC.**

**Total Amount per Matter (900131):** $29,511.27

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 07/08/2015 | $15,230.85 |
| | Medicaid - State Share | 07/08/2015 | $14,280.42 |

**AG Matter Number: 900159 - US ex rel. BRIAN SHIELDS v. GENENTECH, INC., OSI Pharmaceuyticals Inc and Novartis Pharmaceuticals Corp.**

**Total Amount per Matter (900159):** $105,754.22

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 06/21/2016 | $46,673.73 |
| | Medicaid - State Share | 06/21/2016 | $59,080.49 |

**AG Matter Number: 900164 - USA, ex rel. LISA A. ALEXANDER and JAMES P. GOAN v. WARNER CHILCOTT PLC, WARNER CHILCOTT CORPORATION, WARNER CHILCOTT (US) INC. and JOHN DOES #1-100, FICTITIOUS NAMES**

**Total Amount per Matter (900164):** $383,647.54

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 05/05/2016 | $156,475.57 |
| | Medicaid - State Share | 05/05/2016 | $207,171.97 |
| | State Program Recovery-DSS | 04/25/2016 | $20,000.00 |

**AG Matter Number: 900186 - USA ex rel. Frank Kurnik v. Amgen, Inc., et al.**

**Total Amount per Matter (900186):** $62,940.59

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 12/04/2015 | $32,406.32 |
| | Medicaid - State Share | 12/04/2015 | $30,534.27 |

**AG Matter Number: 900203 - USA ex rel. JOHN SLOWIK v. OLYMPUS AMERICA, INC., OLYMPUS CORPORATION, OLYMPUS MEDICAL SYSTEMS CORP., GYRUS GROUP PLC and GYRUS ACMI**

**Total Amount per Matter (900203):** $928,402.23

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 05/16/2016 | $393,304.90 |
| | Medicaid - State Share | 05/16/2016 | $535,097.33 |

**AG Matter Number: 900217 - UNITED STATES OF AMERICA ex rel. DAVID M. KESTER v. NOVARTIS PHARMACEUTICALS CORPORATION, ETC.**

**Total Amount per Matter (900217):** $4,122,737.97

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | State Program Recovery-DSS | 07/28/2015 | $29,090.78 |
| | Medicaid - Federal Share | 08/03/2015 | $363,189.96 |
| | Medicaid - State Share | 08/03/2015 | $367,950.24 |
| | State Program Recovery-DSS | 01/08/2016 | $195,759.54 |
| | Medicaid - State Share | 01/13/2016 | $22,894.14 |
| | Medicaid - State Share | 02/10/2016 | $60.20 |
| | Medicaid - Federal Share | 02/10/2016 | $1,514,182.90 |
| | Medicaid - State Share | 02/10/2016 | $1,629,610.21 |

**AG Matter Number: 900250 - STATE OF CONNECTICUT v. GARY ANUSAVICE, MEHRAN ZAMANI, et al.**

**Total Amount per Matter (900250):** $66,201.60

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - State Share | 01/08/2016 | $20,000.00 |
| | Medicaid - Federal Share | 01/08/2016 | $8,000.00 |
| | Medicaid - State Share | 01/08/2016 | $12,000.00 |
| | Medicaid - State Share | 06/15/2016 | $15,704.76 |
| | Medicaid - Federal Share | 06/15/2016 | $10,496.84 |

**AG Matter Number: 900313 - US ex rel. Dr. Stephan Porter v. Qualitest Pharmaceuticals, Inc.**

**Total Amount per Matter (900313):** $102,443.47

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 02/25/2016 | $49,596.74 |
| | Medicaid - State Share | 02/25/2016 | $52,846.73 |

**AG Matter Number: 900333 - USA ex rel. SHEILA McCRAY v. PEDIATRIC SERVICE OF AMERICA, INC. (Delaware & Georgia), Pediatric Healthcare, Inc. Pediatric Nursing Services, Collectivtly dba PSA Healthcare,Portfolio Logic, LLC**

**Total Amount per Matter (900333):** $265,547.78

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 08/05/2015 | $110,691.50 |
| | Medicaid - State Share | 08/05/2015 | $154,856.28 |

**AG Matter Number: 900368 - USA ex rel. KEVIN J. RYAN v. NUVASIVE, INC.**

**Total Amount per Matter (900368):** $34,263.19

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 10/15/2015 | $11,831.51 |
| | Medicaid - State Share | 10/15/2015 | $13,048.03 |
| | State Program Recovery-DSS | 10/07/2015 | $9,383.65 |

**AG Matter Number: AF1403136 - US & CT ex rel John Hart v. J & L Medical Services LLC**

**Total Amount per Matter (AF1403136):** $154,191.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - State Share | 01/26/2016 | $92,514.59 |
| | Medicaid - Federal Share | 01/26/2016 | $61,676.41 |

**AG Matter Number: AF1403985 - Thomas L. DeRienzo, DMD**

**Total Amount per Matter (AF1403985):** $55,713.36

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - State Share | 12/14/2015 | $33,000.00 |
| | Medicaid - Federal Share | 12/14/2015 | $22,000.00 |
| | Medicaid - State Share | 12/21/2015 | $428.02 |
| | Medicaid - Federal Share | 12/21/2015 | $285.34 |

**AG Matter Number: AF1407045 - State of CT v. Saaid Cherkaoui**

**Total Amount per Matter (AF1407045):** $2,000.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 01/04/2016 | $1,000.00 |
| | Medicaid - State Share | 01/04/2016 | $1,000.00 |

**AG Matter Number: AF1410236 - US ex rel. Dr. John Doe v. Philips Electronics North America, Philips Healthcare, Philips Respironics, and Medsage Technologies**

**Total Amount per Matter (AF1410236):** $62,361.38

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 06/16/2016 | $23,909.17 |
| | Medicaid - State Share | 06/16/2016 | $38,452.21 |

**AG Matter Number: AF1416975 - Millennium Labs 2 Global**

**Total Amount per Matter (AF1416975):** $2,412.26

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - Federal Share | 01/11/2016 | $636.87 |
| | Medicaid - State Share | 01/11/2016 | $1,775.39 |

**AG Matter Number: AF1604511 - State of CT v. PANOOR, LEELA A., MD**

**Total Amount per Matter (AF1604511):** $12,000.00

| Amount Type | Program | Received Date | Amount |
|---|---|---|---|
| Restitution | Medicaid - State Share | 02/29/2016 | $1,800.00 |
| | Medicaid - Federal Share | 02/29/2016 | $1,200.00 |
| | Medicaid - State Share | 04/01/2016 | $1,800.00 |
| | Medicaid - Federal Share | 04/01/2016 | $1,200.00 |
| | Medicaid - State Share | 05/04/2016 | $1,800.00 |
| | Medicaid - Federal Share | 05/04/2016 | $1,200.00 |
| | Medicaid - State Share | 06/01/2016 | $1,800.00 |
| | Medicaid - Federal Share | 06/01/2016 | $1,200.00 |

**Recoveries Total from above report:** **$24,772,050.45**

**Recoveries Summary during Fiscal Year:**

| Program | Amount |
|---|---|
| Medicaid - Federal Share | $10,978,470.42 |
| Medicaid - State Share | $11,380,491.66 |
| Other | $112,923.94 |
| State Program Recovery-DSS | $2,300,164.43 |
| **Total Recovery during fiscal year:** | $24,772,050.45 |

**State Recovery Summary:**

| Program | Amount |
|---|---|
| Medicaid - State Share | $11,380,491.66 |
| Relator A | $-505,349.89 |
| State Program Recovery-DSS | $2,300,164.43 |
| **Net State Recovery:** | $13,175,306.20 |

**Note:** Net state recovery excluding federal share of Medicaid and deducting state relator shares reported above.

**The number of referrals declined for cases closed during reporting period and reason:**

| Reason Declined | Count |
|---|---|
| Complaint withdrawn by relator | 32 |
| Enforcement discretion | 6 |
| Insufficient damages | 2 |
| Insufficient evidence | 5 |
| Most appropriately handled by another agency | 20 |
| Not a violation of law | 1 |

**Total number of referral declined:** 66

KEVIN T. KANE
CHIEF STATE'S ATTORNEY

*State of Connecticut*
Division of Criminal Justice

OFFICE OF
THE CHIEF STATE'S ATTORNEY

300 CORPORATE PLACE
ROCKY HILL, CONNECTICUT 06067
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December 29, 2016

Legislative Program Review and Investigations Committee
State Capitol
210 Capitol Avenue - Room 506
Hartford, Connecticut 06106-1591

**RE: ANNUAL JOINT MEDICAID REPORT REQUIRED PURSUANT TO GENERAL STATUTES §17b-99b(a)**

Dear Committee Members:

Attached is the report of the Medicaid Fraud Control Unit ("MFCU") in the Office of the Chief State's Attorney, pursuant to General Statutes §17b-99b(a), which provides that the Commissioner of Social Services, in coordination with the Chief State's Attorney and the Attorney General, shall submit a joint report on the state's efforts to prevent and control fraud, abuse and errors in the Medicaid payment system and to recover Medicaid overpayments. This report covers MFCU activity during the period July 1, 2015 through June 30, 2016.

Very truly yours,

CHRISTOPHER T. GODIALIS
Supervisory Assistant State's Attorney
Director – Medicaid Fraud Control Unit

*State of Connecticut*
Division of Criminal Justice

OFFICE OF
THE CHIEF STATE'S ATTORNEY

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# Annual General Assembly Medicaid Joint Report

## Fiscal Year July 1, 2015 – June 30, 2016

The Connecticut Medicaid Fraud Control Unit ("MFCU") exists as a single identifiable entity of the state government within the Division of Criminal Justice, Office of the Chief State's Attorney. Pursuant to 42 United States Code §1007.11 (a), the MFCU is charged with conducting "a Statewide program for investigating and prosecuting (or referring for prosecution) violations of all applicable State laws pertaining to fraud in the administration of the Medicaid program, the provision of medical assistance, or the activities of providers of medical assistance under the state Medicaid plan."

The MFCU was first certified in 1978 by the Office of the Inspector General in the United States Department of Health and Human Services ("HHS"). The MFCU must satisfy annually twelve federal performance standards in order to retain its federal certification, which is a condition of Connecticut's eligibility for federal reimbursement of the state's Medicaid plan.

According to the federal performance standards, which take into account various factors including the size of Connecticut's total Medicaid expenditures, the MFCU is authorized to have sixteen professional staff employees. But, in this reporting period, the Unit has struggled with significant understaffing. Circumstances have forced us to make do with a staff level that has varied between eight and eleven. The current staff of eleven includes the Director, two Assistant State's Attorneys, one Supervisory Police Inspector, four Police Inspectors, two Forensic Fraud

Examiners and a Secretary. HHS pays seventy-five percent of the cost of operating the MFCU. The Unit's annual recoveries, which sometimes can vary widely year-to-year, typically exceed the total operating costs.

During the one year period covered by this report, the MFCU opened 58 new cases for investigation (in comparison, 49 last year), made 5 arrests (in comparison, 10 last year) and obtained 7 convictions (in comparison, 6 last year). As of June 30, 2016, the Unit had pending 69 pre-arrest (in comparison, 62 last year) and 12 post-arrest cases (in comparison, 10 last year).

The data required by Conn. Gen. Stat. §17b-99b(c) is presented in the documents attached hereto. Additionally, pursuant to Conn. Gen. Stat. §17b-99b(f) the MFCU provides the following information:

1. *Operational Protocols*

The MFCU utilizes a number of law-enforcement-confidential operational protocols, consistent with our federal performance standards, to ensure it conducts its investigations efficiently and effectively. It utilizes the tools at its disposal, which, unfortunately, still does not include investigative subpoena authority, to obtain and evaluate information during the investigative process in order to reach an appropriate disposition in every matter.

Among these protocols are:

a) Intake and Assessment of Referrals and Complaints: The MFCU follows the protocol required by the federal performance standards to evaluate the referrals it receives from partner agencies and the complaints it receives from the general public and other sources. Among the factors considered in opening an investigation are whether the allegations bear indicia of reliability, the potential loss to the Medicaid program resulting from the alleged violation, and operational resource constraints. The MFCU's practice is to accept or reject a referral from the DSS within 45 days from receipt of the referral, although such decisions often are made in less time.

b) Investigative Plans: Each investigation is assigned to an attorney, a lead investigator and a forensic fraud examiner. There is an approved investigative plan, which is revisited and updated throughout the investigative process. If it is appropriate to do so, then an investigative plan may be developed and executed in coordination with other agencies that may also be investigating the same matter (typically the Attorney General's Office and/or the U.S. Department of Health and Human Services Office of the Inspector General/Office of Investigations).

c) Status Meetings: Investigators meet with supervisors and others on a regular and as-needed basis to assess the progress of the investigation or to discuss important issues or strategic considerations.

2. *Projected Cost Savings*

The MFCU does not consider projected cost savings as part of its long range operational plans in criminal cases, other than to consider actual value as a factor in the decision whether to pursue a case.

3. *New Initiatives*

The MFCU is limited by federal law with respect to both how it may initiate investigations and what subject matter it may investigate. Primarily, we are authorized to pursue allegations of Medicaid fraud committed by providers who are brought to our attention through referral or complaint. We can also investigate a limited number of other matters involving facilities that receive Medicaid funding, regardless of whether the putative victim is a Medicaid recipient. We are currently prohibited from taking affirmative steps on our own to identify Medicaid fraud, although that federal rule is currently evolving and may result in a favorable change. For now, however, we rely on our partner agencies, principally the Department of Social Services, which does a truly outstanding job of identifying potential fraud and then referring it to us for investigation as required by federal law.

In this reporting period, the MFCU continued to participate in the development and launch of a unified state fraud reporting website which

can be found at: www.fightfraudct.ct.gov.

The MFCU also continued to derive significant benefit from information and data provided by a third-party consultant contracted by the Office of Policy and Management and the DSS, specifically inasmuch as this resulted in an increase in the number of potential fraud cases that were identified and referred to us for investigation and prosecution.

The MFCU Director is the chair of a committee which consists of the Directors of the Medicaid Fraud Control Units of six New England states. At our first meeting in 2016, we began planning for the eventual coordination and sharing of operational data involving those providers identified as so-called "known bads." This project is expected to help us identify fraudulent practices that rarely are limited by geographical boundaries.

**Office of the Chief State's Attorney**
**State of Connecticut**
**Medicaid Fraud Control Unit**
**Annual General Assembly Medicaid Joint Report**
**Fiscal Year July 1, 2015 - June 30, 2016**

| Source Type | Count |
|---|---|
| HHS-OIG | 1 |
| Law Enforcement | 1 |
| Licensing Board | 4 |
| Private Citizen | 2 |
| Medicaid Agency - Other | 19 |
| Provider | 1 |
| SUR/S - Medicaid Agency | 30 |
| **Total Investigations Opened:** | **58** |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(2) General Nature of Allegations by Provider Type

12/29/2016; 11:12 AM

| Nature of Allegations | | Count |
|---|---|---|
| **Facility Based Inpatient/Residential - Developmental Disability Setting** | | |
| Abuse/Neglect | **Total** | **1** |
| **Facility Based Inpatient/Residential - Hospital** | | |
| False Pretenses to Inflate Rate | **Total** | **1** |
| **Facility Based Inpatient/Residential - Nursing Facility** | | |
| Abuse/Neglect | **Total** | **3** |
| **Facility Based Inpatient/Residential - Other (Drug & Alcohol Abuse Ctr)** | | |
| False Claims | **Total** | **1** |
| **Physicians** | | |
| False Claims | **Total** | **2** |
| **Licensed Practitioner - Chiropractor** | | |
| False Claims | **Total** | **2** |
| **Licensed Practitioner - Clinical Social Worker** | | |
| False Claims | **Total** | **1** |
| **Licensed Practitioner - Dentist** | | |
| False Claims | | **2** |
| Services Not Medically Necessary | | **1** |
| Used Another Provider's ID | | **1** |
| | **Total** | **4** |
| **Licensed Practitioner - Psychologist** | | |
| False Claims | **Total** | **2** |
| **Other Individual Provider (Acquired Brain Injury)** | | |
| False Claims | **Total** | **1** |
| **Other Licensed Practitioner (Behavioral Health)** | | |
| False Claims | **Total** | **4** |
| **Other, Program Related** | | |
| False Claims | **Total** | **1** |
| **Other Individual Providers - Personal Care Attendant** | | |
| Abuse/Neglect | | 1 |
| False Claims | | 10 |
| | **Total** | **11** |

| | | |
|---|---|---|
| **Medical Services - Durable Medical Equipment Supplier** | | |
| False Claims | | 2 |
| Kickbacks | | 1 |
| | **Total** | **3** |
| **Medical Services - Home Health Agency** | | |
| False Claims | **Total** | **1** |
| **Medical Services - Lab, Clinical** | | |
| False Claims | | 2 |
| Kickbacks | | 2 |
| | **Total** | **4** |
| **Medical Services - Medical Device Manufacturer** | | |
| False Claims | | 1 |
| Kickbacks | | 2 |
| | **Total** | **3** |
| **Medical Services - Pharmaceutical Manufacturer** | | |
| Anti-trust Violation | | 1 |
| Kickbacks | | 2 |
| Off-Label Marketing/Unapproved by FDA | | 2 |
| Inaccurate Rebates | | 2 |
| | **Total** | **7** |
| **Medical Services - Pharmacy, Institutional Wholesale** | | |
| Kickbacks | **Total** | **1** |
| **Medical Services - Pharmacy, Retail** | | |
| Best Price/Usual & Customary | | 1 |
| Data Assist, Out-of-State MFCU | | 1 |
| Kickbacks | | 1 |
| Various Allegations of Wrongdoing - NAMFCU Global | | 1 |
| | **Total** | **4** |
| **Program Related - Medicaid Program Administration** | | |
| Embezzlement | **Total** | **1** |
| **Total Count for all Provider Types:** | | **58** |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(3) Length of Time Elapsed Between Case Opening and Closing

12/29/2016; 11:13 AM

| Case Number | Case Name | Less Than One Month to Six Months (i) | Seven Months to Twelve Months (ii) | Thirteen Months to Twenty-four Months (iii) | Twenty-five Months or More (iv) |
|---|---|---|---|---|---|
| 2010-00148 | Wyeth Inc (Protonix) #09-06-04 | | | | iv |
| 2012-00009 | [Redacted] | | | | iv |
| 2012-00026 | Inspire Pharmaceuticals, Inc #11-09-01 | i | | | |
| 2012-00202 | [Redacted] | i | | | |
| 2012-00218 | [Redacted] | | | | iv |
| 2013-00037 | Novartis Pharma Corp., ET AL., (Exjade & Myfortic) [BioScrip] | | | | iv |
| 2013-00081 | [Redacted] | | | | iv |
| 2013-00193 | Qualitest Pharmaceuticals, Inc [#13-11-02] | | | | iv |
| 2013-00203 | [Redacted] | | | | iv |
| 2013-00238 | [Redacted] | | | | iv |
| 2013-00241 | [Redacted] | | | | iv |
| 2013-00244 | [Redacted] | | | | iv |
| 2013-00270 | [Redacted] | | | iii | |
| 2014-00047 | Pediatric Services of America [#14-02-01] | | | iii | |
| 2014-00120 | [Redacted] | | | iii | |
| 2014-00132 | [Redacted] | | | | iv |
| 2014-00156 | [Redacted] | | | iii | |
| 2014-00167 | NuVasive #14-04-01 [Coroent®] | | | iii | |
| 2014-00191 | Genentech, Inc. #14-09-02 and OSI Pharmaceuticals, Inc. #14-09-01 (Tarceva) | | | iii | |
| 2014-00194 | Warner Chilcott #13-07-02 | | | iii | |
| 2014-00213 | [Redacted] | | | iii | |
| 2015-00005 | [Redacted] | | | iii | |
| 2015-00045 | Millennium Laboratories 15-03-01 | | ii | | |
| 2015-00090 | [Redacted] | | | iii | |
| 2015-00104 | [Redacted] | | ii | | |
| 2015-00118 | Cephalon #14-10-12 | i | | | |
| 2015-00130 | Biogen Idec #15-05-01 | i | | | |
| 2015-00131 | Accredo Hlth Gp, Inc #15-03-02 | i | | | |
| 2015-00134 | [Redacted] | i | | | |
| 2015-00154 | [Redacted] | | ii | | |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(3) Length of Time Elapsed Between Case Opening and Closing

12/29/2016; 11:13 AM

| Case Number | Case Name | Less Than One Month to Six Months (i) | Seven Months to Twelve Months (ii) | Thirteen Months to Twenty-four Months (iii) | Twenty-five Months or More (iv) |
|---|---|---|---|---|---|
| 2015-00157 | Olympus #15-07-01 | | ii | | |
| 2015-00159 | [Redacted] | i | | | |
| 2015-00173 | PharMerica (Aranesp) #15-07-02 | i | | | |
| 2015-00201 | [Redacted] | i | | | |
| 2015-00202 | AstraZeneca #14-03-01 | i | | | |
| 2015-00208 | [Redacted] | i | | | |
| 2015-00220 | Novartis Pharmaceuticals Corp #15-08-01 | i | | | |
| 2015-00232 | [Redacted] | i | | | |
| 2016-00001 | [Redacted] | i | | | |
| 2016-00011 | [Redacted] | i | | | |
| 2016-00012 | [Redacted] | i | | | |
| 2016-00036 | [Redacted] | i | | | |
| 2016-00053 | Philips Respironics, Inc #15-10-01 | i | | | |
| 2016-00077 | [Redacted] | i | | | |
| 2016-00083 | [Redacted] | i | | | |
| 2016-00086 | [Redacted] | i | | | |
| 2016-00101 | [Redacted] | i | | | |
| 2016-00103 | [Redacted] | i | | | |
| 2016-00104 | [Redacted] | i | | | |
| 49 | Totals | 24 | 4 | 10 | 11 |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(4) Final Disposition Category of Closed Cases by Provider Type

12/29/2016; 11:15 AM

| Provider Type | Disposition Category | Count |
|---|---|---|
| Facility Based Inpatient - Developmental Disability Facility | Insufficient Evidence | 1 |
| Facility Based Inpatient - Hospital | Insufficient Evidence | 1 |
| Facility Based Inpatient - Nursing Facilities | No Criminal Aspect | 2 |
| Facility Based Inpatient - Other (Drug and Alcohol Abuse Ctr.) | No Criminal Aspect | 1 |
| Physician - Emergency/Pain Medicine | Insufficient Evidence | 2 |
| Physician - Psychiatry | Lack of Evidence | 1 |
| Licensed Practitioner - Dentist | Insufficient Evidence | 1 |
| Licensed Practitioner - Dentist | No Criminal Aspect | 1 |
| Licensed Practitioner - Nurse (RN/LPN or other Licensed) | Prosecution | 2 |
| Licensed Practitioner - Psychologist | Insufficient Evidence | 1 |
| Other Individual Providers - Acquired Brain Injury | Discretion of Prosecutor | 1 |
| Other Individual Providers - Personal Care Attendant | Handled by Another Law Enforcement Agency | 1 |
| Other Individual Providers - Personal Care Attendant | Lack of Evidence | 2 |
| Medical Services - DME, Prosthetics, Orthotics & Supplies | Civil Action | 1 |
| Medical Services - DME, Prosthetics, Orthotics & Supplies | Discretion of Prosecutor | 1 |
| Medical Services - Home Health Agency | Civil Action | 1 |
| Medical Services - Home Health Agency | No Criminal Aspect | 1 |
| Medical Services - Lab (Clinical) | Civil Action | 1 |
| Medical Services - Lab (Clinical) | Insufficient Evidence | 2 |
| Medical Services - Lab (Clinical) | Lack of Evidence | 1 |
| Medical Services - Lab (Clinical) | No Criminal Aspect | 1 |
| Medical Services - Medical Device Manufacturer | Civil Action | 2 |
| Medical Services - Medical Device Manufacturer | Insufficient Evidence | 1 |
| Medical Services - Pharmaceutical Manufacturer | Civil Action | 10 |
| Medical Services - Pharmaceutical Manufacturer | Insufficient Evidence | 5 |
| Medical Services - Pharmacy (Retail) | Assist Complete | 1 |
| Medical Services - Pharmacy (Retail) | Civil Action | 2 |
| Medical Services - Pharmacy (Retail) | Insufficient Evidence | 2 |
| **Total Cases Closed:** | | **49** |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(5) Monetary Recovery Sought and Realized

12/29/2016; 11:15 AM

| Action Type | Recovery Sought | Recovery Realized |
|---|---|---|
| Criminal Charges | 68,621.88 | 78,684.40 |
| Settlements | 18,988,522.49 | 19,521,209.33 |
| Judgments | 404,798.00 | 12,000.00 |
| Totals: | 19,461,942.37 | 19,611,893.73 |

Connecticut Medcaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
(c)(6) Number of Referrals Declined and Reason

12/29/2016; 11:16 AM

| Reason Declined | Count |
|---|---|
| Discretion of the Prosecutor | 2 |
| Handled By Another Law Enforcement Agency | 1 |
| Insufficient / Lack of Evidence | 5 |
| No Criminal Aspect | 2 |
| **Total, Declined Referrals / Complaints:** | **10** |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
Arrests and Convictions

12/29/2016; 11:16 AM

| Outcome | Count |
|---|---|
| Arrests | 5 |
| Convictions | 7 |

Connecticut Medicaid Fraud Control Unit
Medicaid Joint Report FYE 6/30/2016
Pre-Arrest and Post Arrest Cases Open at Year's End

12/29/2016; 11:17 AM

| Arrest Status | Count |
|---|---|
| Pre-Arrest | 69 |
| Post Arrest | 12 |
| Pre & Post Arrest | 81 |