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# OIG NEWS

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## **Mississippi Doctor Arrested for Health Care Fraud Involving Physical Therapy Services**

### *Case Is Part of a Broad Mississippi Physical Therapy Fraud Initiative*

**Washington, DC** – A licensed Mississippi physician, who owned a clinic that allegedly fraudulently billed the Federal Government \$16 million for in-home physical therapy services, was arrested last week, according to the Office of Inspector General (OIG), U.S. Department of Health and Human Services. The indictment alleges that the doctor received \$7 million in unjustified payments.

The indictment, filed December 3, 2008, in the U.S. District Court for the Southern District of Mississippi, Jackson Division, charged Cassandra Faye Thomas, owner and operator of Central MS Physical Medicine, Inc., with conspiracy, health care fraud, making false statements, theft of public money, and wire fraud. According to the indictment, the so-called physical therapy services were provided in patients' homes by unqualified, inadequately trained, unlicensed technicians with no supervision and then billed as though Dr. Thomas had provided or supervised the services.

The case is part of a larger initiative involving physical therapy practices in Mississippi that is a collaboration between the U.S. Attorney's Office for the Southern District of Mississippi (USAO) and OIG. To date, OIG's involvement in the Mississippi Physical Therapy Initiative has resulted in six felony convictions and nearly \$5.7 million in court-ordered restitution in three cases.

Physical therapy is big business. Medicare Part B paid approximately \$1.5 billion for physical therapy services in 2007.

“The Office of Inspector General will continue to aggressively pursue those who defraud the Medicare and Medicaid programs. Violations of the law will simply not be tolerated,” said Lewis Morris, Chief Counsel to the Inspector General. “The initiative is also an example of interagency collaboration at its finest and has proven to be an extremely efficient and cost-effective collaboration for the Government to recoup Federal health care program funds.”

OIG's Office of Investigations opened several cases beginning in 2004 involving Mississippi physical therapy companies with questionable billing patterns. In the cases

OIG reviewed, it estimated the financial loss to the Government to be more than \$60 million for fraudulently provided physical therapy services.

In April 2007, the Mississippi USAO asked OIG's Office of Counsel to the Inspector General (OCIG) for assistance in prosecuting physical therapy fraud cases because the Mississippi USAO's resources were stretched thin as a result of its pursuit of fraud cases related to Hurricane Katrina. The partnership has enabled the two agencies to quickly and efficiently indict and prosecute the offenders.

Cases resolved under this initiative in 2008 involved conduct occurring between 2001 and 2005:

- **Canton Rehabilitation Services, Inc.** – Canton Rehabilitation Services, Inc. (CRS), claimed to provide in-office physical therapy/physical medicine services to Medicare and Medicaid patients in the Canton, Mississippi, area. CRS submitted more than \$4.2 million in fraudulent Medicare and Medicaid claims and received more than \$1.7 million in payment. The two owners also opened Mississippi Central Rehabilitation, Inc., which submitted more than \$7 million in Medicare and Medicaid claims and received \$2.8 million in payments. One owner received a 37-month prison sentence and the other a 48-month sentence. The court ordered the two owners to pay a total of \$4.5 million in restitution.
- **Progressive Physical Medicine, Inc.** – Progressive Physical Medicine, Inc. (PPM), submitted claims to the Medicare program falsely claiming that in-home physical therapy/physical medicine services had been rendered by the medical director or by a clinic employee under the physician's direct supervision. In fact, the services were provided by unlicensed and unsupervised employees. PPM submitted more than \$3 million in claims to Medicare and received more than \$1 million in payments. The owner was sentenced to 5 years in prison and ordered to pay more than \$1 million in restitution.
- **Southeastern Rehab Professionals, Inc.** – Three individuals opened and established Southeastern Rehab Professionals, Inc., for the purpose of submitting false and fraudulent claims to the Medicare program for physical therapy/physical medicine services. The clinic submitted more than \$680,000 in Medicare claims and received payments of more than \$102,000. Sentences ranged from 6 months in prison to 5 years of probation. The court ordered the three owners to pay a total of \$102,000 in restitution.

OIG will also impose program exclusions, prohibiting the convicted individuals from participating in Federal health care programs for a period of years as required under the mandatory exclusion provision of the Social Security Act. OIG is continuing to review physical therapy services billed under Medicare and Medicaid. In addition, OIG and the USAO are aggressively pursuing culpable individuals and expect to recover additional Federal health care program funds as further cases are adjudicated.

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