



5 Ways Podiatrists Can Avoid Healthcare Fraud

Heeding this advice will prevent legal problems.

BY ELISE FULLER, ESQUIRE

You planned to become a doctor, and you did it. Your application to podiatric medical school was accepted and you endured four years of classwork and grueling rotations. Then you completed a residency, which required more of your time, effort, and money. It wasn't easy, but you accomplished your goals—and you have the student loan debt to prove it. Then you opened your own practice and your parents couldn't have been more proud.

But no one plans, when filling out their medical school application, to use their degree to go to jail. No one plans to commit healthcare fraud and place in jeopardy one's standing in the medical community that they worked so hard to attain. Neither was it the plan for five podiatrists who found themselves guilty of this very crime. As we take a look at their cases, we'll learn the consequences they faced and the best ways to avoid the same pitfalls of healthcare fraud.

1. Avoid Seeking Reimbursement for Free Rent

In 2014, Dr. Anthony Innocenzi

of Colorado was charged with healthcare fraud after authorities uncovered a scheme in which he fraudulently billed Medicare for podiatry services performed in his office. According to the Information from the U.S. District Court, District of Colorado, he submitted a Medicare claim naming his office, JLA Senior Footcare Co, LLC as the

used it rent-free for three months as part of a service agreement. There was no lease.

The provision of Medicare that Innocenzi used to file the claim allows physicians to be reimbursed for overhead expenses, such as rent, utilities, and insurance. Since he filed for and received compensation for a space he never paid for and listed a

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facility where he treated patients. The address he provided was 7900 E. Union Avenue in Denver. However, investigators learned that the "office" was a virtual one—there was no physical building. Innocenzi actually saw patients in a "storage room/beauty salon" of Mesa Manor Care Center, a nursing home located at 2901 N. 12th street in Grand Junction. He was allowed to use the facility as an operating area, and he

phantom office on his claim instead of the nursing home, he was charged with healthcare fraud, a federal offense that carries a maximum penalty of ten years in prison, a \$250,000 fine, or both.

However, Innocenzi pled guilty and was sentenced to five years of probation, under the terms of his plea agreement, and was ordered to pay restitution for the \$51,000 he re-

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ceived in fraudulent Medicare funds. As of September 2015, records from the State Medical Board of Ohio, which authorized Innocenzi to practice medicine, initiated proceedings to issue a citation or proposed denial of his license.

2. Don't Bill for Services That Weren't Performed

Dr. Lawrence Iken found himself in trouble with the federal government after years of billing insurance companies for services he did not perform. In fact, investigators learned he reported more expensive and extensive treatment than he actually administered. A press release from the U.S. Attorneys Office for the Eastern District of Missouri shed light on the plot, in which Iken received close to \$1 million in false claims over the eight-year period between 2006 to 2014.

"With his plea, Dr. Iken admitted that on thousands of occasions, he billed Medicare, Medicaid, and private insurance companies for the incision and drainage of abscesses and hematomas, when he actually only clipped the toenails of the patients."

The penalty was a hefty one for the Missouri podiatrist and his company, Iken, LLC. They each faced criminal and civil liability in the lawsuits brought against them. In the criminal case, both pled guilty to one count of healthcare fraud. This conviction landed Iken in prison for 12 months and one day, with an order to pay \$999,170 in restitution, and his company was sentenced to two years of probation. Under the civil lawsuit, both were found in violation of the False Claims Act and ordered to pay close to \$750,000.

3. Avoid Rx for Kickbacks

Podiatrist Anmy Tran was involved in an illegal prescription drug ring with a psychologist and a pharmacist that defrauded the government and private insurance companies of substantial financial resources. An FBI report describes the intricate plan, in which pharmacist Babubhai Patel, owner of over 20

pharmacies in Detroit referred to as Patel Pharmacies, contrived and ran the elaborate arrangement with local doctors, including podiatrist Tran and psychologist Sanyani Edwards, in exchange for favors.

According to the report, "Babubhai Patel paid cash kickbacks and other things of value to physicians in exchange for those physicians writing prescriptions for expensive medications, without regard to medical necessity, that could be billed to Medicare, Medicaid, or a private insurer through one of the Patel Pharmacies. Physicians affiliated with

Dr. Alan Balkansky found himself on the wrong side of the law after federal authorities investigated treatment records of his Healthy Foot and Ankle and Grafton Podiatry Group. As reported by *The Milwaukee Journal Sentinel*, the Wisconsin podiatrist sought payment from Medicare for administering physical therapy when he only performed minor treatment.

According to the article, "A significant portion of Balkansky's practice was providing foot care services such as trimming toe nails and cal-

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Babubhai Patel would also write prescriptions for controlled substances for their patients, again regardless of medical necessity, which would then be filled at one of the Patel Pharmacies."

Investigators learned that Tran wrote these costly prescriptions for her podiatry patients to have filled at one of Patel's pharmacies, and he referred patients to her in exchange.

Tran was convicted in 2013 of conspiracy to commit healthcare fraud, to distribute controlled substances, and to pay or receive healthcare kickbacks. According to her judgment, Tran was sentenced to five years in prison and ordered to repay more than \$4 million joint and severally with the other co-defendants involved in the scheme.

But the trio was not alone in the complex prescription-for-kickbacks web; 36 other individuals were investigated and many were convicted for their participation with the pharmacist, who received a 17-year prison sentence.

4. Avoid Billing for Physical Therapy When It's Not Provided

In another case of filing Medicare claims for more extensive ser-

luses, which are routine, nonmedical procedures for most individuals and therefore not covered by insurance." Authorities also learned he didn't employ physical therapists to care for his patients but used massage therapists instead. And he required patients to return every 60 days for follow-up treatments when Medicare required the 60-day follow-up only for serious conditions that could not be treated by nonprofessionals.

He made these false statements between 2005 and 2012, even submitting as many as 188 physical therapy claims for one patient during this period, the article says. These false statements earned him more than \$280,000—and an indictment. Balkansky was found in violation of the False Claims Act, and criminal charges were pending at the time of the article.

5. Don't Bill for Treatment Not Performed and Steal Patients' Information

Philadelphia podiatrist Aileen Gong faced serious criminal charges when investigators found that she not only billed Medicare for services she didn't perform but also used pa-

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tients' health information without their consent.

According to the indictment by the U.S. District Court for the Eastern District of Pennsylvania, from 2009-2014, Gong reported to Medicare that "she had performed procedures and provided services, including injections, strappings, nail avulsions, nail excisions and application of Unna Boots, on Medicare beneficiaries who did come to her office as patients but for whom she did not provide the services claimed and did not perform the procedures claimed."

For example, she billed Medicare for an additional five visits after she stopped seeing one particular patient. For another patient, Gong submitted claims for 25 injections, 26 leg strapings, and 9 nail avulsions when the patient only received pain pills.

It was also found that Gong used

the Medicare Beneficiary Number of two patients without their consent in 2013.

Additionally, in relation to a trip to Paris, France for two weeks in December 2012, "GONG submitted claims to Medicare falsely stating that she had seen and treated at least 20 beneficiaries during the time that she was outside of the United States," reports the indictment.

To validate her scheme, authorities arranged for an undercover witness to record a visit to Gong's office and pose as a patient. Gong did not provide injections in her treatment plan for the witness, but she submitted a false claim to Medicare for an injection.

The court document says Gong received \$300,000 out of the \$480,000 in claims she submitted and an additional \$900,000 out of the \$1.4 million in claims she submitted between 2009 and 2013.

She was charged with healthcare

fraud, wire fraud, and aggravated identity theft, and if convicted, she could face up to 184 years in prison and a fine of \$3.5 million.

The lure of fraudulent financial gain can be very tempting to anyone, and healthcare fraud can be especially alluring to physicians because of the direct access to patient information. But as these five examples demonstrate, the price and consequences are high and should be kept in mind when confronted with this urge to which so many others have fallen victim. **PM**



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