



## COMPLIANCE INSTITUTE FOR BEHAVIORAL HEALTH PROVIDERS

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### **Michigan Attorney General Announces Fraud Charges Against Southeast Michigan Mental Healthcare Providers**

By: [Neda M Ryan](#)

On September 30, Michigan Attorney General, Bill Schutte, announced felony charges against four licensed Southeast Michigan mental healthcare providers for their alleged role in a Medicaid fraud scheme. The four individuals, Dr. Sandra Schiff, William Vallier, Marceia Lugo, and Laura Leca, were employees of Adult Well-Being Services ("AWBS"). AWBS was raided by the attorney general's office in June 2012.

The charges contend that, in March 2011, a healthcare provider left her employment with AWBS without completing progress notes for hundreds of encounters with mental health patients. Submitting claims for services without adequate documentation, itself, is a violation of the Medicaid payment rules. However, notwithstanding that existing violation, almost a year after the provider's departure, the four individuals allegedly falsified the former employee's electronic signature and incomplete progress without her knowledge or consent. The four individuals were each charged with one count of Medicaid Fraud-False Record or Statement to avoid Payment to the State, which is a felony punishable by four years in prison and/or a \$50,000 fine, and one count of Medical Records-Intentionally Placing False Information on Chart - Health Care Provider, which is also a felony, punishable by four years in prison and/or a \$5,000 fine.

While the individuals are still awaiting a complete resolution of these allegations, all behavioral health providers should be reminded of the following:



Entities should revisit their employment and compliance policies and procedures to ensure they contain the necessary provisions that require employees to timely complete entries in a consumer's record, as well as policies that prohibit and/or limit employees from amending records without following a specific protocol.

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Entities should ensure they are conducting thorough exit interviews when employees leave, or are terminated from, employment.



Recognizing that despite having a policy in place, a rogue employee(s) may disregard the standards set forth by its employer, all entities, regardless of size, as part of their compliance initiatives, should be conducting regular internal audits and risk assessments to ensure employees understand and are complying with employer policies.



Following any internal audit or risk assessment, entities should be reviewing and revising their policies, as necessary, to address any compliance vulnerabilities identified during the audit or risk assessment.



All employees should also be regularly educated on new and existing policies.

For more information or for assistance on developing policies, conducting internal audits or risk assessments, conducting exit interviews, and/or educating your workforce on your policies, please contact [Greg Moore](#), [Neda Ryan](#), or [Peter Domas](#).

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