

FRAUDULENT MEDICAID SCHEME INFORMATION

How does the scheme work?

- Scammers allegedly established phony sober living homes and recruited unhoused American Indian/Alaska Native (AI/AN) individuals with substance use issues in urban areas to participate in behavioral health outpatient treatment centers to provide Medicaid-supported treatment services.
- Some individuals are accused of posing as healthcare providers and offering AI/AN victims fraudulent medical services to obtain their personal and medical information. They are accused of using victims' information to engage in billing Medicaid for services that were never delivered or do not align with the actual time spent.
- Employees of these fraudulent behavioral health providers are reported to have traveled to reservation communities and recruited victims to travel out-of-state for substance use treatment with promises of food, cash payments, money for rent, and gifts. Some of these employees helped victims switch residency and apply for state aid.

Some victims may be eligible to receive crime victim compensation. Their eligibility for compensation and the losses for which they can be compensated are determined at the state level. You can find the information for [your state's crime victim compensation program](#) online.

How has this scheme impacted the victims?

- When scam service sites are shut down, the AI/AN victims residing in the facilities are left unhoused, with no funds for food, shelter, transportation to return home, or a means of contacting their loved ones.
- Family members of the victims may not be aware of their current whereabouts and may report them as missing.
- Victims may continue to experience a need for behavioral health or substance use treatment and may not have the means to access legitimate services.

What can your Tribe or program do to help the victims?

- Anyone who is aware of the scheme being carried out in their community is strongly encouraged to notify the Office of the Inspector General at the U.S. Department of Health and Human Services either [online](#) or by phone at 800-HHS-TIPS (800-447-8477).
- OVC Tribal grantees who have a Tribal Victim Services Set-Aside Program (TVSSA Program) award can use their funds to:
 - help generate awareness of the scheme in their community and service area.
 - assist victims of identity theft with following the [Federal Trade Commission's guidelines](#) on reporting medical identity theft.
 - assist victims of the scheme, including victims who were lured into one of the fraudulent sober living or behavioral health facilities, victims whose identities were stolen for purposes of fraudulent Medicaid billing, and victims who did not receive the level of treatment they were promised.
 - provide victim assistance, which can include:
 - short-term emergency hotel stays, food, and clothing for individuals who are unhoused or lacking resources to return home while they seek long-term assistance;
 - relocation assistance (transportation, meals, and incidentals) for victims who wish to return home or travel to receive services from a legitimate provider; and
 - supporting efforts to reunite victims with their family members, including spending up to 3 percent of the total amount of a TVSSA award on fliers, billboards, etc., for individuals known to be missing and possible victims of this scheme.