

Enforcement Update on Medicaid Fraud Control Units

Richard P. Kusserow | May 2024

Medicaid Fraud Control Units (MFCUs) investigate and prosecute Medicaid provider fraud and cases involving patient abuse or neglect. They play a vital role in fraud and abuse enforcement within Medicaid programs that provide health services for 80 million beneficiaries. The SAI Global/Strategic Management Services “2024 Compliance Benchmark Survey Report” noted the rise of healthcare entity encounters with MFCUs. This trend was confirmed in the OIG [Medicaid Fraud Control Unit Report](#) on operations for last year, which indicated that results from MFCU activities are picking back up after slumping during the COVID-19 public health emergency. In FY 2023, the OIG imposed a total of 2,112 exclusions on individuals and entities, with MFCU cases accounting for 40 percent of these exclusions. The number of civil recoveries stemming from MFCU investigations reached a 4-year high in FY 2023, with combined criminal and civil recoveries totaling \$1.2 billion and yielding a return of \$3.35 for every \$1 invested. Over the past decade, the number of annual criminal recoveries during most years ranged between \$173 million and \$416 million. Additionally, MFCUs reported 1,143 criminal convictions. The majority of monetary recoveries were in California and Texas, accounting for over half of the total recovery amount. Significant findings in the report revealed that medical device manufacturers and durable medical equipment suppliers were associated with the most civil settlements and judgments in FY 2023. Furthermore, Personal Care Services attendants accounted for a large proportion of all fraud convictions and were by far the most prominent provider type for fraud convictions in 2023.

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About the Author

Richard P. Kusserow established Strategic Management Services, LLC, after retiring from being the DHHS Inspector General, and has assisted over 2,000 health care organizations and entities in developing, implementing and assessing compliance programs.