

Police & Health Officials Warned of Escalating Mental Healthcare Fraud

Mental health industry watchdog stays alert to scammers profiting from COVID-19 fears. CCHR launches newsletter to inform law/healthcare officials about fraud

LOS ANGELES, CALIFORNIA, UNITED STATES, April 7, 2020 /EINPresswire.com/ -- [The Citizens Commission on Human Rights International \(CCHR\)](#), that has spent 50 years investigating psychiatric fraud and abuse, launched a newsletter this week for law enforcement, Medicaid and Medicare healthcare fraud units and health officials about potential mental health industry fraud with loosened regulations during the COVID-19 pandemic. CCHR is increasing its oversight of the field in light of mental health professionals now able to use telepsychiatry across all states at potential rates of five times what they charge for in-person office consultations.



Mental health industry watchdog stays alert to scammers profiting from COVID-19 fears. Concerned about patients being defrauded when seeking mental health treatment, CCHR launches newsletter to inform law enforcement and health officials

“We want to ensure that healthcare dollars needed to fight COVID-19 are not defrauded or squandered by those in the mental health industry that put profit above patients. Fraud scams can use video chats, excessive billing over the Internet with psychiatrists writing a large number of prescriptions,” said Jan Eastgate, president of CCHR International.

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Fears over COVID-19 are being used to create a market for more psychotropic drugs. The antidepressant market is already valued at \$13.69 billion a year.

On March 24, the Department of Justice issued a statement about detecting, investigating and prosecuting wrongdoing related to the COVID-19 crisis. In a memo to U.S. Attorneys, Attorney General Barr said, “The pandemic is dangerous enough without wrongdoers seeking to profit from public

panic and this sort of conduct cannot be tolerated.”[1]

Improper billing for telemedicine services is a top trigger for federal fraud and abuse scrutiny. In 2018, an Office of Inspector General (OIG) report found that 31% of a sample of 100 telehealth claims did not meet Medicare conditions for payment, with an estimated \$3.7 million wasted on improper claims between 2014 and 2015.[2]

CCHR has found for-profit behavioral facilities have systemic fraud, including detaining patients against their will. Inspections of the facilities are now compromised because of COVID-19 so abuse is “out of sight, out of mind,” CCHR says.

Last year, a now-closed Texas psychiatric hospital pleaded guilty to a criminal indictment of kidnapping patients and illegally detaining them for financial gain, including two female patients held against their will, one for 21 days and the other for 11 days and she was also forcibly drugged.[3]

In 2014, Richard Kusserow, who served for eleven years as the U.S. HHS Inspector General, pointed to psychiatry and psychology as key areas of fraud, stating: “Many health care fraud investigators believe mental health caregivers, such as psychiatrists and psychologists, have the worst fraud record of all medical disciplines.”

Taking a sample of 10 indictments and prosecutions since the beginning of 2019, seven psychiatrists were convicted and jailed for a combined total of over 20 years for fraud-related crimes. These included:

- A Kentucky psychiatrist pled guilty to distributing controlled substances without medical reason, including prescribing “dangerous combinations” of drugs and drugs in exchange for “sexually graphic photos and videos.” U.S. Attorney Russell Coleman called him a “doctor turned drug dealer.”[4]
- A federal jury found an 83-year-old west Tennessee psychiatrist guilty of unlawfully distributing opioids to purported patients and to others who were never his patients.[5] He also prescribed drugs “often in exchange for sexual favors or companionship,” according to the indictment.[6]
- A Virginia psychiatrist was sentenced to two years, three months prison over a healthcare fraud scheme and agreed to pay over \$1 million to settle related claims. The psychiatrist instructed his staff to often double, triple, or even quadruple book appointment times. Investigators discovered he would need more than 24 hours a day of working to perform the services for which he billed.[7]
- A New Jersey psychiatrist was sentenced to four years in prison for his participation in a scheme to defraud Medicare and Medicaid of \$30 million. For 3½ years the psychiatrist saw no patients but falsified enormous stacks of phony medical records stating that he had seen and treated them. Attorney for the Southern District of New York, Geoffrey Berman said “corrupt doctors and therapists who defraud Medicare and Medicaid” betray their patients and taxpayers.[8]
- In New York, a psychiatrist who worked at a Veterans Affairs Medical Center was sentenced to a year and a day in prison for health care and tax fraud.[9]
- A Santa Ana psychiatrist was sentenced to four years, three months in federal prison for accepting cash to write prescriptions for addictive narcotics to a drug dealer to sell on the streets. He also wrote prescriptions for patients he never met or examined.[10]
- In South Florida, a psychiatrist was sentenced to over four years in prison for disability fraud and tax evasion on over \$1.6 million in income earned. He was ordered to pay restitution of \$1,013,284.[11]

CCHR urges people to [report abuse and fraud in the mental health system here](#).

[Read full story here](#).

CCHR is the mental health watchdog responsible for more than 180 laws that now protect patients from damaging practices. DONATE to support its work here:
<https://www.cchrint.org/cchrint-donate/>

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