

OCTOBER 14, 2011

## **HOSPICE OWNER INDICTED FOR \$14.3 MILLION IN FALSE CLAIMS**

On October 12, 2011, the U.S. Department of Justice unsealed an indictment charging Matthew Kolodesh a/k/a Matvei Kolodech, with conspiracy to defraud Medicare of more than \$14 million. According to the indictment, Kolodesh's business, Home Care Hospice, Inc. (HCH), located in Philadelphia, PA, submitted Medicare claims for approximately \$14.3 million dollars for patients who were ineligible for hospice benefits or who did not receive any services.

Some of the ineligible patients were not terminally ill and were on service in excess of six months. At the direction of Kolodesh, HCH staff was instructed to alter patients' charts to document a patient's medical condition as worse than it actually was. HCH staff was also instructed to bill claims at a higher, costlier rate of service than what was provided to the patient.

In February 2007, HCH was notified that it was the subject of a claims review audit. Again, A.P. and Kolodesh directed staff to falsify documentation that was to be submitted for the audit. In September 2007, HCH was notified it has exceeded the cap for Medicare reimbursement and would have to repay \$2,625,047 to the Medicare program. At that time, A.P. and Kolodesh initiated a mass discharge program of the ineligible and inappropriately maintained hospice patients.

If convicted, Kolodesh faces a statutory maximum sentence of 370 year in prison and will owe Medicare approximately \$14.3 million. The case was investigated by the Federal Bureau of Investigation and the Department of Health and Human Services Office of Inspector General. It is being prosecuted by the U.S. Attorney's Office, Eastern District, Pennsylvania.

While this is a very egregious example of an attempt to defraud the Medicare program, having ineligible hospice patients on service or unusually long lengths of stay are precisely the types of activities the Medicare Administrative Contractor will review when conducting a claim audit. The lesson learned is that if you defraud the Medicare program you will get caught.

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